



If you need this information in another format or require a reasonable accommodation to attend this meeting, contact the City's ADA Coordinator at 785-229-3635. Please provide advance notice of at least two (2) working days. TTY users please call 711.

**101 S. Hickory
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Ottawa, KS 66067-0060**
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TO: Mayor and City Commissioners
RE: Study Session Meeting Agenda
FROM: Richard U. Nienstedt, City Manager

A Study Session is scheduled for **January 25, 2016 at 4:00 pm** in the conference room on the first floor of City Hall, 101 S. Hickory. The following items will be presented:

I. Public Comments

II. Items to be Placed on the Regular City Commission Agenda

- a. Minutes from the January 11, 2016 Study Session, January 11, 2016 and January 12, 2016 Special Call Meetings for Commission Retreat and the January 20, 2016 Regular Meeting. *Pgs 3-9*
- b. Supermarket Industrial Revenue Bonds - Scott Bird, Tyler Ellsworth & Dottie Riley *Pgs 10-137*
- c. Conditional Use Permit for Property at 27 E. Rockwood Drive - Wynndee Lee *Pgs 138-143*
- d. Request to Approve Ordinance to Amend Chapter 18, Article II of the Municipal Code Regarding Vacation of Public Rights-of-Way - Wynndee Lee & Michael Haeffele *Pgs 144-145*
- e. Kansas City Power & Light Agreement—Dennis Tharp and Richard U. Nienstedt *Pgs 146-152*

III. Items for Presentation and Discussion

- a. December Monthly Report Review - Staff *Pgs 153-213*
- b. City Manager's Report
 - Rock Creek Park Update
 - Off-site Meeting Suggestions
 - Fifth Monday Focus Sessions
- c. Commissioner's Reports
 - Commissioner Stipend Level
- d. Mayor's Report

52 Tips for Successful Public Service by E.A. Mosher

#8. Establish policy statements. Written policy statements let the public, and the city staff, know where they stand. They help the governing body govern, and writing them provides a process to develop consensus.

IV. Announcements

- January 27, 2016
- January 29, 2016

- February 1, 2016
- February 3, 2016

Special Call LKM Government Day, Topeka
Awarding of CALEA Certificate/Chamber Coffee, 8:00 am, Goppert Center
Study Session, 4:00 pm, City Hall
Regular Meeting, 7:00 pm, City Hall

V. Adjourn

Motion: _____

Second: _____

Time: _____

VI. Items Already Placed

**Study Session Minutes
Ottawa, Kansas
Minutes of January 11, 2016**

The Governing Body met at 4:00 pm this date with the following members present and participating to wit: Mayor Skidmore, Commissioner Dickinson, Commissioner Caylor, Commissioner Reed and Commissioner Graves. A quorum was present.

Mayor Skidmore called the meeting to order.

Public Comments

None offered at this time.

Minutes to Review

The Governing Body reviewed minutes from the January 4, 2016 Study Session and the January 6, 2016 regular Meeting. With a requested change, it was agreed to place this item on the next regular meeting agenda, January 20, 2016.

Christian Rally—Forest Park

The Governing Body heard from Scott Davis regarding a Christian Rally event request in August at Forest Park. Last year, the event was held at the Ottawa Municipal Airport. With the number of people who attended and the expected attendance for this year, Mr. Davis requested from the Governing Body to use Forest Park for the event. The scheduled event date is August 20, 2016. It was a consensus of the Governing Body to approve this event.

Proclamation—Martin Luther King Jr. Day

The Governing Body reviewed a proclamation recognizing January 18, 2016 as Martin Luther King Jr. Day. This proclamation will be read Sunday, January 17th at 2:00 pm at Ottawa Municipal Auditorium.

Proclamation—Boy Scout Week

The Governing Body reviewed a proclamation recognizing February 7-13, 2016 as Boy Scout Week. It was agreed to place this item on the next regular meeting agenda.

Proclamation—Catholic Schools Week

The Governing Body reviewed a proclamation recognizing January 31, 2016 - February 6, 2016 as Catholic Schools Week. It was agreed to place this item on the next regular meeting agenda.

Flood Insurance Coverage

The Governing Body heard from Human Resource Director Michelle Stegman, Finance Director Scott Bird, and Truss Advantage Broker Linda Minson regarding the current flood insurance coverage for the City of Ottawa buildings. It was requested from Mayor Skidmore for City Staff to look into the flood insurance and see if there is a way to increase our deductibles and pay less in premiums on the flood insurance coverage. The Governing Body reviewed with City staff, City buildings that are currently covered with flood insurance and city buildings not currently covered with flood insurance. It comes down to how much risk the Governing Body is able to commit to for the future. City Staff will come back with a recommendation for the Governing Body at a later study session meeting.

Announcements

Mayor Skidmore announced:

- There will be a Commission Retreat Meeting in the Commission Room with John Divine beginning at 5:00 pm.

Adjournment

There being no further business to come before the Governing Body, Commissioner Caylor made a motion, seconded by Commissioner Dickinson to adjourn the meeting. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly adjourned at 4:49 pm.

Carolyn S. Snethen, City Clerk

**Special Call Commission Meeting
City Commission Retreat
Commission Room, City Hall
101 S Hickory St, Ottawa, Kansas
Monday, January 11, 2016—5:00 pm**

The Governing Body met at 5:00 pm this date for the purpose of a City Commission Retreat with John Divine with the following members present and participating to wit: Mayor Skidmore, Commissioner Dickinson, Commissioner Caylor, Commissioner Reed, and Commissioner Graves were all present. A quorum was present.

The following topics were discussed:

- Visioning Ottawa's Future
- Challenges facing Ottawa

The meeting was adjourned at 7:30 pm.

Carolyn S. Snethen, City Clerk

**Special Call Commission Meeting
City Commission Retreat
Commission Room, City Hall
101 S Hickory St, Ottawa, Kansas
Tuesday, January 12, 2016—5:00 pm**

The Governing Body met at 5:00 pm this date for the purpose of a City Commission Retreat with John Divine with the following members present and participating to wit: Mayor Skidmore, Commissioner Dickinson, Commissioner Caylor, Commissioner Reed, and Commissioner Graves were all present. A quorum was present.

The following topics were discussed:

- Items that needed to be focused on to make the biggest impact long term for Ottawa
 - Utilities
 - Sales Tax
 - Quality of Life
 - Communications
 - Infrastructure
 - Relationships

The meeting was adjourned at 7:30 pm.

Carolyn S. Snethen, City Clerk

**Regular Meeting Minutes
Commission Chambers
101 S Hickory, Ottawa, Kansas
Minutes of January 20, 2016**

The Governing Body met at 9:30 am this date with the following members present and participating to wit: Mayor pro tem Dickinson, Commissioner Caylor, Commissioner Reed and Commissioner Graves were all present. Mayor Skidmore was absent. A quorum was present.

The Mayor pro tem Dickinson called the meeting to order and welcomed the Chamber Audience and led the Pledge of Allegiance to the American Flag. The invocation was given by Armogen Walker with Bethany Chapel Baptist Church.

Consent Agenda

The Governing Body reviewed the consent agenda consisting of Minutes from the January 4, 2016 Study Session and January 6, 2016 Regular Meeting and the current regular meeting agenda. Commissioner Reed made a motion, seconded by Commissioner Graves to approve the Consent Agenda. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the consent agenda duly approved.

Public Comments

The Governing Body heard from Tiffany Evans with the Ottawa Municipal Auditorium (OMA) Advisory Board regarding an update on the New Year's Eve Event. The event was held at the Plaza Cinema due to construction on bathrooms in OMA. The fundraiser concert featured Nashville recording artist and songwriter Jeremy McComb and Rick Huckaby and raised \$632.00 for future OMA plans. Ms. Evans thanked all the sponsors for the event as well as the City of Ottawa utility department for restoring power as quickly as possible to continue on with the event.

Declaration

None were given at this time.

Proclamation—Catholic Schools Week

Commissioner Caylor read a proclamation recognizing January 31st – February 6th as Catholic Schools Week. Catholic Schools Week is celebrated nationally during this last week in January. This year's theme is "Catholic Schools: Communities of Faith, Knowledge and Service." This proclamation recognizes the contributions of Sacred Heart School, the students and the alumni to our community. The proclamation was accepted by Principal Lisa Blaes and Miranda Vrbas, a student with Sacred Heart School. Student, Cailyn Hurley, spoke regarding the Catholic Schools Week proclamation and stated why she loves to attend Sacred Heart School. The 4th and 5th Grade classes at Sacred Heart School attended the Commission Meeting.

Proclamation—Kansas Day

Mayor pro tem Dickinson read a proclamation recognizing January 29th as Kansas Day. This day marks the 155th anniversary of Kansas becoming a state. Rita Nienstedt accepted this proclamation. Mrs. Nienstedt is a state officer of P.E.O., a women's organization that has awarded thousands of dollars in scholarships to women in the state to motivate them to achieve their highest aspirations. Mrs. Nienstedt shared a few interesting highlights of the State of Kansas. Mrs. Nienstedt shared sunflower magnets with the City Commissioners.

January 20, 2016

Unofficial until Approved

Report by City Manager

City Manager Richard U Nienstedt reported:

- Utilities Director Dennis Tharp and City Manager Richard U Nienstedt spent yesterday attending the Kansas Municipal Utilities Day at the Capital.
- Next Week is City Hall Day
- There is an intergovernmental meeting Luncheon today at noon at USD 290.

Report by City Commissioners

Commissioner Reed thanked Sacred Heart Students and Kayla Hurley for speaking regarding the Catholic Schools Week Proclamation. Commissioner Reed stated she remembers memories of celebrating Kansas Day in the past.

Commissioner Caylor thanked Tiffany Evans with the OMA Advisory Board for reporting the OMA New Year's Eve Event held at the plaza. Commissioner Caylor advised there is currently an opening at this board and if anyone in the community is interested in participating on this board to contact a commissioner or City Hall. Commissioner Caylor commended the Fire Department, Police Department and Public Works department for all their hard work during the inclement weather the City of Ottawa has experienced. Commissioner Caylor stated the Martin Luther King Jr. Day celebration on Sunday was a great event that celebrated the rich history we have. Commissioner Caylor loves celebrating Sacred Heart and Catholic Schools Week.

Report by Mayor pro tem

Mayor pro tem Dickinson reported:

- Attended the Saturday Night Chamber of Commerce Dinner at Ottawa University Gibson Student Center.
- Welcomed new city employee John Oelke.

Announcements

Mayor pro tem announced:

- January 25, 2016: Study Session, 4:00 pm, City Hall
- January 27, 2016: Special Call LKM Government Day, Topeka
- January 29, 2016: Awarding of CALEA Certificate, Chamber Coffee, 8:00 am, Goppert Center
- February 3, 2016: Regular Meeting, 7:00 pm, City Hall

Adjournment

There being no further business to come before the Governing Body, Commissioner Caylor made a motion, seconded by Commissioner Reed to adjourn the meeting. The motion was considered and upon being put, all present voted aye. The Mayor pro tem declared the meeting duly adjourned at 9:52 am.

Carolyn S. Snethen, City Clerk

INTEROFFICE MEMORANDUM

TO: RICHARD U. NIENSTEDT, CITY MANAGER AND THE HONORABLE GOVERNING BODY
FROM: TYLER ELLSWORTH, CITY BOND COUNSEL AND SCOTT D. BIRD, DIRECTOR OF FINANCE
SUBJECT: SUPERMARKET INDUSTRIAL REVENUE BONDS
DATE: JANUARY 20, 2016

As part of the Redevelopment Agreement for the 19th & Princeton Street project, the City of Ottawa (the City) and Super Market Developers, Inc. (the “Developer”) acknowledged the expectation that construction of the grocery store would be financed with industrial revenue bonds (“IRBs”) issued by the City. Kansas law permits a sales tax exemption on construction materials purchased with IRB proceeds. On October 20, 2014, the City Commission adopted Resolution No. 1648-14 expressing its intent to issue IRBs to finance construction and authorizing an application to be filed with the Department of Revenue for the sales tax exemption. On April 15, 2015, the Commission adopted Resolution No. 1648-14 which extended the effective date of Resolution No. 1648-14 through March 1, 2016.

This transaction will be structured as a lease-leaseback. Under the terms of a Base Lease, the Developer will lease the project to the City, and the proceeds from the sale of the bonds will be considered rental payments to the Developer. Under the terms of a second, separate Lease, the City will lease the project back to the Developer. The Developer’s payment of principal and interest on the bonds will be considered rental payments to the City. Both leases will be for a one-year term which will end on February 1, 2017, which is the same date the bonds will mature. The City will use the rent it receives from the Developer to repay the bonds and has no obligation to use any other resources or funds of the City to repay the debt.

Subject to the approval of the attached Ordinance, the City will issue bonds on February 18, 2016. To that end, the City will enter a Bond Purchase Agreement with the Developer reflecting the terms on which the City will sell the bonds to the Developer. The City will also enter a Trust Indenture for the bonds with UMB Bank, as Trustee. Under the Trust Indenture, the City will pledge the rent from the Developer for payment of principal and interest on the bonds.

The attached Ordinance has been prepared by the City’s Bond Counsel, Dotty Riley and Tyler Ellsworth of Kutak Rock LLP. The Ordinance authorizes the issuance of the bonds and the City’s execution of the Trust Indenture, Base Lease, Lease, Bond Purchase Agreement and other bond documents. Staff respectfully recommends the attached Ordinance be placed on the agenda for and approved at the regular City Commission meeting scheduled for February 3, 2016.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY OF OTTAWA, KANSAS, TO ISSUE ITS INDUSTRIAL REVENUE BONDS (TAXABLE UNDER FEDERAL LAW), SERIES 2016 (SUPER MARKET DEVELOPERS, INC.), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,100,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, AND EQUIPPING A COMMERCIAL FACILITY WITHIN THE CITY, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS (19TH AND PRINCETON MARKET CENTER).

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

WHEREAS, pursuant to Resolution No. 1648-14 of the City adopted on October 20, 2014, as amended by Resolution No. 1663-15 of the City adopted on April 15, 2015 (collectively, the “Resolution of Intent”), the City expressed its intent to issue approximately \$6,100,000 of industrial revenue bonds for the purpose of financing the cost of constructing a commercial facility which will operate as a grocery store, including real estate, building, improvements and equipment to be located at the 19th and Princeton Market Center development (the “Project”) within the city limits of the City, for the benefit of Super Market Developers, Inc. (the “Company”) and its successor or assigns; and

WHEREAS, the City has found and does find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the City and the State of Kansas that the City issue its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.), in the aggregate principal amount of not to exceed \$6,100,000 (the “Bonds”), for the purpose of paying the costs of acquiring, constructing and equipping the Project as more fully described in the Indenture, the Base Lease and the Lease hereinafter authorized; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds to execute and deliver (i) a Trust Indenture (the “Indenture”), with UMB Bank, N.A., Kansas City, Missouri, as Trustee (the “Trustee”), prescribing the terms and conditions of issuing and securing the Bonds; (ii) a Base Lease Agreement (the “Base Lease”), pursuant to which the City will lease the Project from the Company; (iii) a Lease (the “Lease”), pursuant to which the City shall lease back the Project to the Company, in consideration of rentals which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due; and (iv) a Bond Purchase Agreement providing for the sale of the Bonds by the City to the Company (collectively, the “Bond Documents”);

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OTTAWA, KANSAS AS FOLLOWS:

Section 1. Authority To Cause the Project To Be Acquired, Constructed and Equipped. The City is hereby authorized to cause the Project to be acquired, constructed and equipped all in the manner and as more particularly described in the Indenture, the Base Lease and the Lease hereinafter authorized.

Section 2. Authorization of and Security for the Bonds. The City is hereby authorized and directed to issue the Bonds in the aggregate principal amount of not to exceed \$6,100,000 for the purpose of providing funds to pay the costs of acquiring, constructing and equipping the Project. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The Bonds shall be special limited obligations of the City payable solely from the trust estate established under the Indenture, including revenues from the Lease of the Project. The Bonds shall not be general obligations of the City, nor constitute a pledge of the faith and credit of the City and shall not be payable in any manner by taxation.

Section 3. Execution of Bonds and Bond Documents. The Mayor or acting Mayor of the City is hereby authorized and directed to execute the Bonds and deliver them to the Trustee for authentication on behalf of, and as the act and deed of the City, in the manner provided in the Indenture. The Mayor or acting Mayor is further authorized and directed to execute and deliver the Bond Documents on behalf of, and as the act and deed of the City, in substantially the forms on file in the office of the City Clerk, with such corrections or amendments thereto as the Mayor or acting Mayor may approve, which approval shall be evidenced by his or her execution thereof, and to execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance and the Bond Documents. The City Clerk is hereby authorized and directed to attest the execution of the Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the City's official seal.

Section 4. Pledge of the Project and Net Earnings. The City hereby pledges the City's interest in the Project and the net earnings generated under the Lease to the payment of the Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the Bonds shall be deemed to be paid within the meaning of the Indenture.

Section 5. Further Authority. The officials, officers, agents and employees 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 the provisions of this Ordinance and to carry out and perform the duties of the City with respect to the Bonds and the Bond Documents as necessary to give effect to the transactions contemplated in this Ordinance and in the Bond Documents.

Section 6. Effective Date. This Ordinance shall take effect from and after its final passage by the governing body of the City, signature by the Mayor and publication once in the official newspaper of the City.

PASSED by the City Commission of the City of Ottawa, Kansas on February 3, 2016.

CITY OF OTTAWA, KANSAS

[Seal]

Mayor

Attest:

City Clerk

EFFECTIVE DATE: 2/18/16

BOND PURCHASE AGREEMENT
BETWEEN
THE CITY OF OTTAWA, KANSAS
AND
SUPER MARKET DEVELOPERS, INC.

DATED AS OF FEBRUARY 1, 2016

NOT TO EXCEED \$6,100,000
INDUSTRIAL REVENUE BONDS
(TAXABLE UNDER FEDERAL LAW)
SERIES 2016
(SUPER MARKET DEVELOPERS, INC.)

BOND PURCHASE AGREEMENT

On the basis of the representations and upon the terms and conditions of this Bond Purchase Agreement dated as of February 1, 2016 (the “Agreement”) and effective as of the date set forth on the cover page hereof (the “Effective Date”), Super Market Developers, Inc., a Missouri corporation and the purchaser hereunder (the “Company”), offers to purchase up to \$6,100,000 principal amount of the Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.) (the “Series 2016 Bonds”), to be issued by the City of Ottawa, Kansas (the “Issuer”), pursuant to an Ordinance passed by the Governing Body of the Issuer on February 3, 2016, and in accordance with a Trust Indenture dated as of February 1, 2016, between the Issuer and UMB Bank, N.A., Kansas City, Missouri, as Trustee (the “Indenture”). The Project, as defined in the Indenture, will be lease by the Company to the Issuer under a Base Lease Agreement dated as of February 1, 2016 (the “Base Lease”), and leased back to the Company under a Lease dated as of February 1, 2016, between the Issuer and the Company (the “Lease”). Except for the Unassigned Issuer’s Rights as defined in the Indenture, the Issuer’s rights under the Base Lease and the Lease will be assigned to the Trustee. All capitalized terms not defined in this Agreement shall have the definitions given them in the Indenture.

SECTION 1. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants to the Company, as of the date of this Agreement, that:

(A) The Issuer is a duly organized and existing municipal corporation of the state of Kansas.

(B) To the best of the Issuer’s knowledge and belief: when delivered to and paid for by the Company in accordance with the provisions of this Agreement, the Series 2016 Bonds will have been duly authorized, executed, authenticated, issued and delivered; and, the Series 2016 Bonds will constitute valid and binding special limited obligations of the Issuer payable solely and only from the revenues specified in the Indenture and in conformity with, and entitled to the benefit and security of, the Indenture, the Base Lease and the Lease; and, this Agreement, the Series 2016 Bonds, the Indenture, the Base Lease and the Lease and all action taken by the Issuer in connection therewith shall be in conformity with K.S.A. 12-1740 *et seq.*, as amended.

(C) To the best of the Issuer’s knowledge, the execution and delivery of this Agreement, the Series 2016 Bonds, the Base Lease, the Lease and the Indenture and compliance with the provisions thereof, will not conflict with or constitute on the part of the Issuer a violation of, breach of or default under any statute, indenture, mortgage, declaration or deed of trust, note agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or, to the knowledge of the Issuer, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties.

(D) To the best of the Issuer's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Issuer, challenging or seeking to enjoin the transactions contemplated by this Agreement, the Indenture, the Base Lease or the Lease, or contesting the validity or enforceability of the Series 2016 Bonds, the Base Lease, the Lease, the Indenture, this Agreement or any agreement or instrument to which the Issuer is a party, used or contemplated to be used in consummation of the transactions contemplated by this Agreement.

(E) Any certificate signed by any authorized officer or official of the Issuer and delivered to the Company shall be deemed a representation by the Issuer to the Company as to the truth of the statements therein made.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF COMPANY

In order to induce the Issuer to issue the Series 2016 Bonds, the Company represents and warrants to the Issuer, as of the date of this Agreement, as follows:

(A) The Company is a limited liability company duly organized and validly existing under the laws of the state of Missouri and in good standing under the laws of the state of Kansas, and has the power to own and lease its properties and do business in the state of Kansas.

(B) To the best of the Company's knowledge, this Agreement is, and upon the final delivery of the Series 2016 Bonds, this Agreement, the Base Lease and the Lease will be, in accordance with their respective terms, legal, valid and binding obligations of the Company. The Company's execution and delivery of the Base Lease, the Lease and this Agreement will not conflict with, or constitute on the part of the Company a violation or breach of, or default under its articles of organization, operating agreement, or any instrument to which it is a party or by which it is bound or, to the best of its knowledge, any statute or rule or regulation of any court or governmental body having jurisdiction over it or any of its activities or properties or the transactions contemplated by such agreement. All consents, approvals and authorizations which are required for the consummation of the transactions by the Company contemplated by the Base Lease, the Lease and this Agreement have been obtained.

(C) The Company is purchasing the Series 2016 Bonds for investment solely for its own accounts and not with a view to, or for resale in connection with, the distribution thereof. The Company understands that the Series 2016 Bonds have not been registered under the securities laws of any state or under the provisions of Section 5 of the Securities Act of 1933, as amended (the "Act"), and that the Series 2016 Bonds may not be transferred unless they are subsequently registered under the Act and all applicable state laws requiring registration as a condition of resale, or unless an exemption from such registration is available, with the consequence that the Company may therefore need to bear the risks of its investment for an indefinite time. The Company also understands that no trading market now exists for the Series 2016 Bonds.

(D) The Company acknowledges and agrees that the Series 2016 Bonds may only be transferred (1) to the Issuer or the Tenant, (2) with the written consent of the Issuer pursuant to a registration statement which has been declared effective under the 1933 Act, or (3) with the written consent of the Issuer to institutional “accredited investors” as defined in Rule 501(a) under the 1933 Act, or QIBs. By its acceptance of a Series 2016 Bond, each purchaser of a Series 2016 Bond (except for the Issuer and the Tenant) will be deemed to (1) have represented that the Series 2016 Bonds are being acquired for investment and not with a view to distribution and (a) it is an institutional accredited investor or a fiduciary or agent (other than a United States bank or savings and loan association) that is acting on behalf of an institutional accredited investor, or (b) it is a QIB acting on behalf of itself or another QIB (and, if it is a QIB, acknowledges that it is aware that the seller may rely on an exemption from the provisions of Section 5 of the 1933 Act pursuant to Rule 144A), and (2) have agreed that any resale of the Series 2016 Bond will be made only in a transaction exempt from registration under the 1933 Act and only to an institutional accredited investor or to a QIB in a transaction made pursuant to Rule 144A under the 1933 Act, to the Issuer or the Tenant or pursuant to an effective registration statement filed under the 1933 Act or pursuant to another available exemption from registration under the 1933 Act. The Trustee, the Issuer and the Company shall have the right, prior to any offer, sale or transfer of the Series 2016 Bonds other than to the Issuer or the Tenant, to require the delivery of an opinion of counsel, certifications or other information satisfactory to each of them with respect to the lawfulness of such offer, sale or transfer.

(E) The Company has undertaken to verify the accuracy, completeness and truth of any and all statements made or omitted to be made concerning any of the material facts relating to this transaction, and warrants and acknowledges that the Company is not relying on any party or person to undertake the furnishing or verification of information relating to this transaction. The Company has been provided, or has in its possession or control, all documents, financial information, risk analysis and such other information as the Company deems necessary in order to make an informed investment decision with respect to the investment in the Series 2016 Bonds and the risks which will be incurred which may interfere with or prevent the timely payment of the principal or the interest represented by the Series 2016 Bonds. The Company is aware that there are certain economic variables and risks that could affect adversely the security of the investment in the Series 2016 Bonds, and the Company is able to bear the economic risks of such investment.

(F) The Company, as purchaser, hereby acknowledges that the Series 2016 Bonds and the Basic Rent (as such term is defined in the Lease) are not general obligations of the Issuer or of the state of Kansas or any political subdivision thereof and that the Basic Rent pledged to the payment of the Series 2016 Bonds constitute obligations of the Company, as the tenant under the Lease. The Company acknowledges that the payment of any amount owing under the Indenture is limited to the sources of payment and security described in the Indenture and that the Issuer makes no representation or warranty regarding the adequacy of any such sources of payment or security.

(G) The Company has such knowledge and experience in business and financial matters, including: (i) the evaluation of investment risks associated with commercial real estate developments such as the Project, (ii) the evaluation of risks associated with the capabilities of entities such as the Company to develop, operate and maintain the Project, and (iii) the analysis, purchase and ownership of industrial revenue bonds and other investment vehicles similar in character to the Series 2016 Bonds, so as to enable it to understand and evaluate the risks of such investments and form an investment decision with respect thereto, the Company has no need for liquidity in such investment and the Company is (or any account for which it is purchasing is) able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(H) The Company acknowledges that the interest on the Series 2016 Bonds is not exempt from federal income taxation.

(I) The Company has full power and authority to execute this Agreement and to perform its obligations hereunder.

(J) By all necessary action, the Company has duly authorized and approved the execution and delivery of this Agreement.

(K) To the Company's knowledge there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or threatened against or affecting the Company or any of its property wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated herein; would in any way adversely affect the validity or enforceability of the Series 2016 Bonds, the Base Lease, the Lease, this Agreement or any instrument to which the Company is a party; or might result in any material adverse change in the financial condition or business of the Company.

SECTION 3. PURCHASE, SALE AND DELIVERY OF THE SERIES 2016 BONDS

(A) On the basis of the representations, warranties and agreements herein contained, and subject to the satisfaction the terms and conditions herein set forth, at the closing time stated below (the "Closing Time"), the Issuer agrees to sell to the Company, and the Company agrees to purchase from the Issuer the Series 2016 Bonds at a Purchase Price equal to the aggregate principal amount of the Series 2016 Bonds funded in accordance with this Agreement up to a maximum principal amount of \$6,100,000. The Series 2016 Bonds shall mature, shall bear interest at the rate and shall have the terms established by the Indenture. Payment for the Series 2016 Bonds shall be made by wire-transferred Federal Reserve funds, payable to the order of the Issuer. Upon receipt of the initial funding of the Purchase Price of the Series 2016 Bonds in an amount not less than the lesser of \$100,000, or 5.00% of the maximum principal amount of the Series 2016 Bond, the Series 2016 Bonds, executed by the Issuer, and authenticated by the Trustee, will be delivered to the Company at the Closing Time, at the offices of Kutak Rock LLP ("Bond Counsel"), Kansas City, Missouri, or at such place or address as may be agreed to by the Company and the Issuer. The Closing Time shall be 9:00 a.m. on the Effective Date or such other time as may be agreed to by the Company and the Issuer.

(B) Subject to the conditions of this Section 3(B) and the further terms and conditions of this Agreement, the Company shall fund the purchase of the Series 2016 Bonds in increments as provided in Section 208(a) of the Indenture and in Section 4.2 of the Lease, up to the maximum principal amount of the Series 2016 Bonds, as provided in the Indenture. The funding of the initial payment for the Series 2016 Bonds and all subsequent advances shall be made in immediately available funds to the order of the Trustee, for the account of the Issuer. After the initial funding of the Purchase Price at closing, each subsequent advance shall be subject to the following conditions:

(i) *Written Request.* Advances shall be made only in accordance with the provisions of Section 4.2 and Article V of the Lease upon the Company's written request or on the request of any person or entity designated in writing by the Company to act on the Company's behalf. Each written request shall identify the payees and the amounts to be paid to each and shall be accompanied by invoices, lien waivers, percentage completion certificates, and any other documentation deemed necessary by the Company to support the amounts requested to be paid.

(ii) *Funding Period.* Company shall have no obligation to advance funds pursuant to this Agreement after the earlier of the Completion Date, the date the Lease terminates or the date in which the maximum principal amount of the Series 2016 Bonds have been funded under this Agreement.

(C) In addition to the foregoing, and on the basis of the same representations, warranties and agreements herein contained, and subject to the terms and conditions herein set forth, the Company agrees to pay from Company funds not related to the Bond proceeds all other reasonable Costs of Issuance at the Closing Time or agrees to make provision for payment of such costs according to their terms.

SECTION 4. CONDITIONS OF THE COMPANY'S OBLIGATIONS

The obligations of the Company to purchase and pay for the Series 2016 Bonds will be subject to the accuracy of the representations and warranties on the part of the Issuer herein, to the performance by the Issuer and the Company of their respective obligations hereunder and to the following additional conditions precedent:

(A) The Ordinance, the Indenture, the Base Lease and the Lease shall have been duly authorized and executed by the respective parties thereto in the form hereto before approved by the Company and shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Company.

(B) At the Closing Time, the Company shall receive in form and substance satisfactory to it:

(i) the opinion of Bond Counsel approving the issuance and delivery of the Series 2016 Bonds.

(ii) A certificate or certificates, satisfactory in form and substance to Bond Counsel and the Company, of an authorized official of the Issuer dated the date of closing to the effect that, to the best of such official's knowledge and belief:

(a) each of the representations and warranties of the Issuer set forth in Section 1 hereof is true, accurate and complete in all material respects as of the Closing Time, and each of the agreements of the Issuer set forth in this Agreement to be complied with at or prior to the Closing Time has been complied with as of such time; and

(b) no litigation is pending, or to such official's knowledge threatened, to restrain or enjoin the issuance, execution, sale or delivery of the Series 2016 Bonds or contesting the issuance or the validity of the Series 2016 Bonds, the Ordinance, the Indenture, the Lease, or this Agreement and that none of the proceedings or authority for the issuance of the Series 2016 Bonds has been repealed, revoked or rescinded.

(iii) Certified conformed copies or manually executed counterparts of the Ordinance, the Indenture, the Base Lease and the Lease.

(iv) Such additional certificates, opinions, or documents as the Company may reasonably request to evidence the due satisfaction at or prior to such time of all conditions then to be satisfied in connection with the transactions contemplated hereby.

If the conditions to the obligations of the Company contained in this Agreement are not satisfied or if the obligations of the Company shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Company nor the Issuer shall have any further obligations hereunder.

SECTION 5. DEFAULT OF THE COMPANY

If the Company defaults in its obligations to purchase the Series 2016 Bonds hereunder and other arrangements satisfactory to the Issuer for the purchase of the Series 2016 Bonds are not made within forty-eight (48) hours after default, this Agreement may be terminated by the Issuer without liability on its part.

SECTION 6. CONDITIONS OF THE ISSUER'S OBLIGATIONS

The obligations of the Issuer to sell and deliver the Series 2016 Bonds will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(A) The Ordinance, the Indenture, the Base Lease and the Lease shall have been duly authorized and executed by the respective parties thereto in the form hereto before approved by the Company and shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the

Company. The Company shall have provided and there shall be in full force and effect all consents or other appropriate authorizations of the Company, as in the opinion of Bond Counsel, are necessary and appropriate in connection with the execution by the Company of the Lease and other Company documents contemplated in connection with the issuance of the Series 2016 Bonds.

(B) At the Closing Time, the Issuer shall receive in form and substance satisfactory to Bond Counsel and to it:

(i) the opinion of Bond Counsel approving the issuance and delivery of the Series 2016 Bonds.

(ii) the opinion of counsel for the Company (acting as counsel to the Company, as the tenant under the Lease, and to the Company, as purchaser under this Agreement).

(iii) A certificate or certificates, satisfactory in form and substance to Bond Counsel, of an officer of the Company dated the date of closing to the effect that:

(a) each of the representations and warranties of the Company set forth in Section 2 hereof is true, accurate and complete in all material respects as of the Closing Time, and each of the agreements of the Company set forth in this Agreement to be complied with at or prior to the Closing Time has been complied with as of such time; and

(b) insofar as the signers of such certificate or certificates are aware, after reasonable investigation, since the date of this Agreement, there has been no material adverse change in the property or financial position of the Company or results of operation of the Company; and

(c) no litigation is pending, or to the knowledge of the Company threatened, to restrain or enjoin the issuance, execution, sale or delivery of the Series 2016 Bonds or in any way contesting or affecting any authority for issuance or the validity of the Series 2016 Bonds, the Base Lease, the Lease or this Agreement or the creation, existence, or powers of the Company to lease the Project.

(iv) Certified conformed copies or manually executed counterparts of the Ordinance, the Indenture, the Base Lease and the Lease.

(v) Such additional certificates, opinions, or documents as the Issuer and Bond Counsel may reasonably request to evidence the due satisfaction at or prior to such time of all conditions then to be satisfied in connection with the transactions contemplated hereby.

If the conditions to the obligations of the Issuer contained in this Agreement are not satisfied or if the obligations of the Issuer terminate for any reason permitted by this Agreement, this Agreement shall terminate and neither the Company nor the Issuer shall have any further obligations hereunder.

SECTION 7. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All representations and warranties of the Company herein shall remain operative and in full force and shall survive delivery of the Series 2016 Bonds.

SECTION 8. INDEMNITY

The Company will indemnify and hold harmless the Issuer, each of its officials and employees and each person who controls the Issuer within the meaning of Section 15 of the Act (any such person being herein in this paragraph sometimes called an “Indemnified Party”), against all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon an allegation or determination that the Series 2016 Bonds or the obligations of the Issuer under the Indenture have been offered or sold in violation of provisions of the Act, the Securities Exchange Act of 1934, as amended, or the securities laws of any state or territory, or that the Indenture should have been qualified under the Trust Indenture Act of 1939, as amended. This indemnity agreement will not limit any other liability the Company may otherwise have to any such Indemnified Party.

In the event and to the extent that any of the Indemnified Parties is entitled to indemnification from the Company under the terms of the preceding paragraph in respect of any of the losses, claims, damages, liabilities or expenses referred to therein, but such indemnification is unavailable to such Indemnified Party in respect of any such losses, claims, damages, liabilities or expenses, due to such indemnification being held impermissible or unenforceable under applicable law or otherwise, then the Company, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the Company in connection with the offering conduct which resulted in such claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The Company and Issuer, respectively, agree that it would not be just and equitable if contribution pursuant to this paragraph were determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the preceding sentences of this paragraph. The amount paid or payable by any of the Indemnified Parties as a result of the losses, claims, damages or liabilities referred to above in this paragraph shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with defending such action or claim. The covenants and agreements in this paragraph and the preceding paragraph shall survive the delivery of the Series 2016 Bonds.

SECTION 9. PARTIES IN INTEREST

This Agreement has been and is made solely for the benefit of the Issuer and its officers, agents and employees, the Company and their respective successors, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement.

SECTION 10. NOTICES

All communications hereunder shall be in writing, and if sent to the Issuer or the Company shall be mailed or delivered and confirmed to the address shown below:

To the Company:

Super Market Developers, Inc.
5000 Kansas Avenue
Kansas City, Kansas 66106
Attn: General Counsel

With a copy to:

Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, MO 64112
Attn: Stephen M. James

To the Issuer:

City of Ottawa, Kansas
101 S. Hickory Street
Ottawa, KS 66067
Attn: City Attorney

SECTION 11. APPLICABLE LAW

This Agreement shall be governed by the laws of the state of Kansas and may not be assigned by the Issuer or the Company.

SECTION 12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall be one and the same instrument, and any parties hereto may execute this agreement by signing any such counterpart.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer and the Company have caused their authorized representatives to execute and deliver this Agreement as of the date appearing on the first page hereof.

CITY OF OTTAWA, KANSAS
as Issuer

By: _____
Mayor

IN WITNESS WHEREOF, the Issuer and the Company have caused their authorized representatives to execute and deliver this Agreement as of the date appearing on the first page hereof.

SUPER MARKET DEVELOPERS, INC.
a Missouri corporation, as Company

By: _____
David Smith, Vice President

BASE LEASE AGREEMENT

Dated as of February 1, 2016

by and between

SUPER MARKET DEVELOPERS, INC.

as Lessor

and

CITY OF OTTAWA, KANSAS

as Lessee

Relating to:

**NOT TO EXCEED \$6,100,000
INDUSTRIAL REVENUE BONDS
(TAXABLE UNDER FEDERAL LAW)
SERIES 2016
(SUPER MARKET DEVELOPERS, INC.)**

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BASE LEASE AGREEMENT

THIS BASE LEASE AGREEMENT dated as of February 1, 2016 (the “Base Lease”), by and between **SUPER MARKET DEVELOPERS, INC.**, a Missouri corporation (the “Company”), as lessor and the **CITY OF OTTAWA, KANSAS**, a political subdivision duly organized and existing under the laws of the state of Kansas (the “Issuer”), as lessee.

WITNESSETH:

WHEREAS, the Issuer is authorized under the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the “Act”), to purchase, acquire, construct, improve, equip, remodel, sell and lease certain facilities within its jurisdiction for commercial purposes, and to issue revenue bonds for the purpose of paying the cost of such facilities, and to pledge the income and revenues to be derived from the operation of such facilities to secure the payment of the principal of, and interest on such bonds; and

WHEREAS, pursuant to the Act, the Governing Body of the Issuer has heretofore passed Ordinance No. _____ on February 3, 2016, authorizing the Issuer to issue its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.), in the principal amount not to exceed \$6,100,000 (the “Series 2016 Bonds”), for the purpose of financing the cost of acquiring, constructing and equipping a commercial facility which will operate as a grocery store and include real estate, building, improvements and equipment to be located at the 19th and Princeton Market Center development within the City (the “Improvements”); and

WHEREAS, Super Market Developers, Inc., a Missouri corporation (the “Company”), is the owner of certain real property, as more particularly described on *Schedule I* attached hereto (the “Land”), on which the Improvements are or will be located (the Improvements and the Land, collectively, the “Project”); and

WHEREAS, in order to satisfy the requirements of the Act, the Issuer proposes to acquire a leasehold interest in the Project pursuant to this Base Lease, and proposes to lease the Project back to the Company pursuant to the Lease dated as of February 1, 2016 (the “Lease”), between the Issuer, as sublessor and the Company, as sublessee, for rentals which will be sufficient to provide for the payment of the principal, redemption premium, if any, and interest on the Series 2016 Bonds; and

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

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The capitalized terms used in this Base Lease and not otherwise defined herein shall have the meanings assigned to them in the Trust Indenture dated as of February 1, 2016 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”), relating to the Series 2016 Bonds.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by the Company. The Company represents and warrants that:

(a) The Company is a corporation, duly incorporated, validly existing and in good standing under the laws of the state of Kansas. The Company has, and will at all times have, all requisite power to own its property and conduct its business as now conducted and as presently contemplated, to execute and deliver this Base Lease and to perform its duties and obligations hereunder.

(b) Neither the execution and delivery by the Company of this Base Lease nor the compliance with the terms and conditions of this Base Lease,

(i) will, to the knowledge of the Company, violate any material provision of applicable law, any order of any court or other agency of government applicable to the Company;

(ii) will violate any material provision of any of the organizational or other governing documents of the Company, any indenture, agreement or other instrument to which the Company is now a party or by which it or any of its properties or assets is bound;

(iii) will be in conflict with, result in a material breach of or constitute a material default (with due notice or the passage of time or both) under any material provision of any such indenture, agreement or other instrument;

(iv) will, to the knowledge of the Company, be in conflict with or result in a material breach of or constitute a material default under any material provision of any license, judgment, decree, applicable law, statute, order, rule or regulation of any governmental agency or body having jurisdiction over the Company or any of its activities or properties; or

(v) will result in the creation or imposition of any charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company, except for Permitted Encumbrances.

(c) The Company has fee simple title to the Land, and its interest therein is subject to no liens or encumbrances other than Permitted Encumbrances.

Section 2.02. Representations by Issuer. The Issuer represents that:

(a) The Issuer is a political subdivision duly organized and existing under the laws of the state of Kansas. Under the provisions of the Act, the Issuer has lawful power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder. The Issuer has been duly authorized to execute and deliver this Base Lease, acting by and through its duly authorized officers. The Issuer agrees that it will do or use its best efforts to cause to be done all things necessary to preserve and keep in full force and effect Issuer's existence.

(b) The Issuer is authorized to take, and prior to the delivery of the Series 2016 bonds at the closing of such bond issue will have taken, all necessary action to issue the Series 2016 Bonds to provide funds for the financing of the Improvements and the acquisition of a leasehold interest in the Project as described on *Schedule I* attached hereto, and proposes by the Lease to sublease the Project to the Company.

(c) No member of the governing body or any officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby.

ARTICLE III

GRANTING CLAUSE

Section 3.01. Lease of the Project. The Company hereby rents, leases and lets the Project to the Issuer, and the Issuer rents, leases and hires the Project from the Company, subject to Permitted Encumbrances and for rentals and upon and subject to the terms and conditions herein set forth, for a term commencing on the date of delivery of this Base Lease and ending on February 1, 2017; provided, however, this Base Lease shall remain in full force and effect so long as any obligation of the Company under the Lease shall be outstanding and so long as the Lease shall remain in effect as more fully provided in the Lease, unless sooner terminated in a manner provided for herein, provided that the Company shall not exercise any right so reserved in any manner that will interfere with any rights of the Issuer hereunder.

ARTICLE IV

QUIET ENJOYMENT; RENTAL PROVISIONS

Section 4.01. Quiet Enjoyment. The Company hereby covenants and agrees that it will not take any action, other than pursuant to the Lease and Article V, Article VI and Article VIII of this Base Lease, to prevent the Issuer from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request of the Issuer, and at the expense of the Company, cooperate with the Issuer in order that the Issuer may have quiet and peaceable possession and enjoyment of the Project and will defend the Issuer's enjoyment thereof against all parties.

Section 4.02. Consideration and Rentals. The Issuer shall deposit the proceeds from the sale of the Series 2016 Bonds with the Trustee in accordance with the Indenture. Such deposit shall constitute full and complete payment of all rentals due hereunder and following such deposit the Issuer shall not have any obligation to make any payments to any person in connection with this Base Lease.

Section 4.03. Sublease by Issuer. It is understood and agreed by the Issuer and the Company that the Issuer will sublease the Project to the Company pursuant to the Lease. The Issuer shall at no time agree to any amendment or modification of the provisions of the Lease without the prior written consent of the Company and the Trustee.

Section 4.04. Payment of Taxes. The Company covenants and agrees that it will, from time to time, promptly pay and discharge or cause to be paid and discharged, prior to delinquency, all taxes, assessments and other governmental charges lawfully imposed upon the Project or any part thereof or upon the income and profits thereof.

ARTICLE V

SPECIAL COVENANTS

Section 5.01. Granting of Easements. The Company may, to the extent permitted under the Lease, at any time or times (a) grant easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any property included in the Project, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall determine.

Section 5.02. Indemnification. The Company hereby agrees to indemnify the Issuer to the extent required under the Lease and the Bond Purchase Agreement.

ARTICLE VI

ASSIGNMENT, SUBLEASING AND MORTGAGING

Section 6.01. No Assignment, Subleasing and Mortgaging of the Project by the Issuer. The Issuer agrees that, except for the Lease and the assignment of its interest in the Lease to the Trustee pursuant to the Indenture and an assignment of leases, it will not sell, assign, convey, mortgage, encumber, further sublease or otherwise dispose of its interest in this Base Lease or any part of its interest in the Project except as expressly permitted by this Base Lease and the Lease during the Lease Term. If the laws of the state of Kansas at the time shall so permit, nothing contained in this Section shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of the complete interest of the Issuer in the Project to, any municipal or public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of leasing the Project; provided that, upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Base Lease to be kept and performed by the Issuer, shall be expressly assumed in writing by such entity resulting from such consolidation or surviving such merger or to which the Issuer's complete interest in the Project shall be transferred.

Section 6.02. Assignment and Subleasing of the Project by the Company. Except as otherwise provided in Sections 9.1 and 9.2 of the Lease, the Company may not sublease, assign or mortgage its interest or any part hereof in this Base Lease without the prior written consent of the governing body of the Issuer. In the event of any such assignment, the Company shall remain fully liable for the performance of its duties and obligations hereunder, and no such assignment and no dealings or transactions between Issuer or the Trustee and any such assignee shall relieve the Company of any of its duties and obligations hereunder.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. An “Event of Default” shall mean, wherever used in this Base Lease, any failure by the Issuer or the Company to observe and perform any applicable covenant, condition or agreement in this Base Lease on its part to be observed or performed and the lapse of a period of sixty days after written notice (or, if such a cure is not possible within sixty days, such longer period as may be needed provided that the curing party is continuously and diligently pursuing such cure), specifying such failure and requesting that it be remedied, given to the Issuer and the Trustee by the Company if there is an Event of Default by the Issuer, or given to the Company and the Trustee by the Issuer, if there is an Event of Default by the Company, unless the Issuer or the Company (as applicable) shall agree in writing to an extension of such time prior to its expiration.

Section 7.02. Remedies on Default. Whenever an Event of Default specified in Section 7.01 hereof shall have happened and be continuing, the Company shall have the option to provide for the termination of this Base Lease in the manner provided in Article VIII hereof. The Issuer may terminate this Base Lease and exercise such other remedies as provided in Article XX of the Lease.

Section 7.03. Rights and Remedies Cumulative. The rights and remedies reserved by the Issuer and Company hereunder and those provided by law shall be construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The Issuer and Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Base Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity.

Section 7.04. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments hereunder without in any way waiving the non-defaulting party’s right to exercise any of its rights and remedies provided for herein with respect to any such default or defaults which were in existence at the time such payment or payments were accepted by it.

Section 7.05. Performance by Issuer. The Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Company, or shall have received the instrument to be executed, and at the Issuer's option shall have received from the Company assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. Nothing in this Section is intended to imply that the Issuer must take any action or execute any instrument unless specifically required to do so by this Base Lease.

ARTICLE VIII

EARLY TERMINATION OF BASE LEASE

Section 8.01. Early Termination of Base Lease. In the event the Company shall cause all of the Series 2016 Bonds to be paid in the manner set forth in Article XIII of the Indenture, the Company shall be entitled to terminate this Base Lease provided the Company has also complied with all requirements of Sections 17.1 and 17.2 of the Lease. Upon such termination, the Issuer shall deliver to the Company any instruments which may be reasonably required by the Company to evidence such termination and the relinquishment of all of the Issuer's rights and interest in the Project and in this Base Lease.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when given in the manner and to the notice addresses provided in Article XXIII of the Lease. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer or the Company shall also be given to the Trustee.

Section 9.02. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns. The Trustee shall be a third-party beneficiary of this Base Lease.

Section 9.03. Severability. In the event any provision of this Base Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.04. Amendments, Changes and Modifications. Subsequent to the issuance of the Series 2016 Bonds and prior to their payment in full, this Base Lease may not be amended, changed, modified, altered or terminated without the prior written consent of the parties hereto and the Trustee.

Section 9.05. Execution in Counterparts. This Base Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.06. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the state of Kansas.

Section 9.07. Captions. The captions or headings in this Base Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Base Lease.

[Remainder of Page Intentionally Left Blank]

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

CITY OF OTTAWA, KANSAS

By _____
Mayor

(SEAL)

ATTEST:

By _____
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me on February ____, 2016, by Mike Skidmore, Mayor, and Carolyn S. Snethen, City Clerk.

Notary Public

My Appointment Expires: _____

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Ottawa, Kansas (the “Issuer”) in connection with the issuance by the City of its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.) (the “Series 2016 Bonds”):

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

[insert legal description]

Said real property constituting the “Land” as referred to in the Indenture and the Lease entered into by the Issuer concurrently with the issuance of the Series 2016 Bonds (the “Indenture” and the “Lease”), subject to the Permitted Encumbrances.

- (b) All buildings, building additions, improvements, machinery, furnishings and equipment now constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer’s Series 2016 Bonds, and which constitute Improvements as defined in the Indenture, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this *Schedule I* together constituting the “Project” as referred to in the Indenture and the Lease.

CITY OF OTTAWA, KANSAS

AS ISSUER

AND

SUPER MARKET DEVELOPERS, INC.

AS TENANT

LEASE

DATED AS OF FEBRUARY 1, 2016

RELATING TO
NOT TO EXCEED \$6,100,000
INDUSTRIAL REVENUE BONDS
(TAXABLE UNDER FEDERAL LAW)
SERIES 2016
(SUPER MARKET DEVELOPERS, INC.)

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LEASE

THIS LEASE, made and entered into as of February 1, 2016, between the City of Ottawa, Kansas (the “Issuer”), and Super Market Developers, Inc., as tenant (the “Company”).

WITNESSETH:

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

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

- (a) acquire a leasehold interest in and construct and equip the Project (as defined in the Indenture);
- (b) lease the Project to the Company for the rentals and upon the terms and conditions hereinafter set forth; and
- (c) issue, for the purpose of paying Project Costs (as defined in the Indenture), the Series 2016 Bonds under and pursuant to and subject to the provisions of the Act and the Indenture (herein defined), said Indenture being incorporated herein by reference and authorized by an ordinance of the governing body of Issuer; and
- (d) grant the Company an option to purchase the Issuer’s leasehold interest in the Project; and

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

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

ARTICLE I

Section 1.1. Definitions. Capitalized terms not otherwise defined in this Lease shall have the meanings set forth in *Appendix B* to the Indenture. In addition to the words, terms and phrases defined in *Appendix B* to the Indenture and elsewhere in this Lease, the capitalized words, terms and phrases as used herein shall have the meanings set forth in the Glossary of Words and Terms attached as *Appendix C*, unless the context or use indicates another or different meaning or intent.

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

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

(b) The Company shall (i) maintain and preserve its existence as a limited liability company and its authority to do business in the State and to operate the Project; (ii) shall not initiate any proceedings of any kind whatsoever to dissolve or liquidate without (A) securing the prior written consent thereto of the Issuer and the Owners of all of the Outstanding Bonds and (B) making provision for the payment in full of the principal of and interest and redemption premium, if any, on the Bonds.

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

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

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

(f) The Company has fee simple title to the Land described on *Schedule I* to this Lease.

(g) The estimated total cost of the Project to be financed by the Series 2016 Bonds, plus interest on the Series 2016 Bonds during acquisition, construction, furnishing and equipping of the Improvements, and expenses anticipated to be incurred in connection with the issuance of the Series 2016 Bonds, will not be less than the aggregate face amount of the Series 2016 Bonds funded pursuant to the Bond Purchase Agreement.

Section 1.3. Representations and Covenants by the Issuer. The Issuer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

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

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

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

(d) It has duly authorized the execution and delivery of this Lease and the Indenture and the issuance, execution and delivery of the Series 2016 Bonds.

(e) It has obtained the consent to and/or approval of the issuance of the Series 2016 Bonds by each municipal corporation and political subdivision the consent or approval of which is required by the provisions of the Act.

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

ARTICLE II

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

ARTICLE III

Section 3.1. Basic Rent. The Issuer reserves and the Company covenants and agrees to pay to the Trustee hereinafter provided and in the Indenture designated, for the account of the Issuer and during the Basic Term, for deposit in the Principal and Interest Payment Account referred to herein and in the Indenture established, on each Basic Rent Payment Date, Basic Rent in immediately available funds.

Section 3.2. Presentation of Bonds in Satisfaction of Rent. In the event the Company acquires any Outstanding Bonds, the Company may present the same to the Trustee for cancellation, and upon such cancellation, the Company's obligation to pay Basic Rent shall be reduced accordingly, but in no event shall the Company's obligation to pay Basic Rent be reduced in such a manner that the Trustee shall not have on hand in the Principal and Interest Payment Account funds sufficient to pay the maturing principal of, redemption premium, if any, and interest on Outstanding Bonds as and when the same shall become due and payable in accordance with the provisions of the Indenture.

Section 3.3. Additional Rent. Within 30 days after receipt of written notice thereof, the Company shall pay any Additional Rent required to be paid pursuant to this Lease.

Section 3.4. Rent Payable Without Abatement or Setoff. The Company covenants and agrees with and for the express benefit of the Issuer and the Bondowners that all payments of Basic Rent and Additional Rent shall be made by the Company as the same become due, and that the Company shall perform all of its obligations, covenants and agreements hereunder without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Improvements shall have been acquired, started or completed, or whether the Issuer's interest in the Project or any part thereof is transferred, defective or non-existent, and notwithstanding any failure of consideration or commercial frustration of purpose, the eviction or constructive eviction of the Company, any Change of Circumstances, any change in the tax or other laws of the United States of America, the State, or any municipal corporation of either, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any action of the Issuer or any other event or condition whatsoever, and regardless of the invalidity of any portion of this Lease, and the Company hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Lease or which releases or purports to release the Company therefrom. Nothing in this Lease shall be construed as a waiver by the Company of any rights or claims the Company may have against the Issuer under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Lease that the Company shall be unconditionally and absolutely obligated to perform full all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Bondowners.

Section 3.5. Prepayment of Basic Rent. The Company may at any time prepay all or any part of the Basic Rent without penalty or premium.

Section 3.6. Deposit of Rent by Trustee. As assignee of the Issuer's rights hereunder, the Trustee shall deposit, use and apply all payments of Basic Rent and Additional Rent in accordance with the provisions of this Lease and the Indenture.

ARTICLE IV

Section 4.1. Disposition of Original Proceeds; Project Fund. The Original Proceeds shall be paid over to the Trustee for the account of the Issuer. The Trustee shall pay from such

Original Proceeds into the Principal and Interest Payment Account the full amount of any accrued interest received upon such sale. The remainder of such proceeds shall be deposited by the Trustee in the Project Fund to be used and applied as provided in this Lease and the Indenture, except that Costs of Issuance may be paid from the Project Fund without further order or authorization.

Section 4.2. Funding of Project Fund.

(a) Prior to the Completion Date for the Project, the Project Fund will be funded by the Bondowner in installments as requests for disbursements substantially in the form attached to this Lease as *Appendix A* are submitted to and accepted by the Trustee. Without the consent of the Trustee, the Company shall not submit more than two requests for disbursement per month. In accordance with the Bond Purchase Agreement, the Bondowner shall disburse installments to the Trustee, for deposits in the Project Fund as the Company submits the above referenced requests for disbursements.

(b) The Bondowner's obligation to fund the Project Fund ceases upon the occurrence of the earlier (i) the Completion Date; (ii) the advancement of maximum principal amount of Series 2016 Bonds; or (iii) the date on which this Lease is terminated.

ARTICLE V

Section 5.1. Acquisition of Land and Improvements. The Company shall prior to or concurrently with the issuance of the Bonds lease to the Issuer the Land described in *Schedule I* and such of the Improvements as are then completed, installed or in progress pursuant to the Base Lease. The Company shall also concurrently with such conveyance make provisions for the discharge of any liens or encumbrances incurred by it or others in connection with the construction, installation or development of the Improvements other than Permitted Encumbrances.

Section 5.2. Environmental Matters. An Environmental Assessment on the Land has been obtained by the Company which revealed no evidence on the Project of Hazardous Substances or other materials defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance or similar term defined by CERCLA or any other Environmental Law, the removal of which is required by the provisions of any applicable Environmental Law, or the maintenance of which is not in compliance with any such law.

The Company acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the Company does not expeditiously proceed with any compliance action with respect to the Project lawfully required by any local, state or federal authority under applicable Environmental Law, Issuer, immediately after notice to the Company, may elect (but may not be required) to undertake such compliance. Any moneys expended by the Issuer in efforts to comply with any applicable Environmental Law (including the cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred. There shall be unlimited recourse to the Company to the

extent of any liability incurred by the Issuer with respect to any breaches of the provisions of this Section.

The Company shall and does hereby indemnify the Issuer, the Trustee and the Bondowners and agrees to defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and reasonable costs incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence on, escape or removal from the project of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether before, during or after the term of this Lease, including claims relating to personal injury or damage to property.

The Company agrees to give immediate written notice to the Issuer and the Trustee of any violation of any Environmental Law of which violation the Company has actual knowledge.

Section 5.3. Project Contracts. Prior to the delivery of this Lease, the Company may have entered into a contract or contracts with respect to the acquisition and/or construction of the Improvements. Those contracts, and any such contracts entered into by the Company after delivery of this Lease are hereinafter referred to as the "Project Contracts." Prior to the delivery hereof, certain work has been or may have been performed on the Improvements pursuant to said Project Contracts or otherwise. The Company hereby conveys, transfers and assigns to the Issuer all of the Company's rights in, but not its obligations under the Project Contracts and the Issuer hereby designates the Company as Issuer's agent for the purpose of executing and performing the Project Contracts. After the execution hereof, the Company shall cause the Project Contracts to be fully performed by the contractor(s), subcontractor(s) and supplier(s) thereunder in accordance with the terms thereof, and the Company covenants to cause the Improvements to be acquired, constructed and/or completed in accordance with the Project Contracts. Any and all amounts received by the Issuer, the Trustee or the Company from any of the contractors or other suppliers by way of breach of contract, refunds or adjustments shall become a part of and be deposited in the Project Fund.

Section 5.4. Payment of Project Costs for Improvements. Issuer hereby agrees to pay for the acquisition or construction of the Improvements, but solely from the Project Fund, and hereby authorizes and directs the Trustee to fund all amounts submitted by the Company on the certificate of payment of Project Costs in accordance with this Lease, but solely from the Project Fund, from time to time, while the Company is in compliance with the requirements of Section 6.1 hereof, upon receipt by the Trustee of a certificate signed by the Authorized Company Representative in the form set forth by *Appendix A* hereto which is incorporated herein by reference and receipt of lien waivers for all amounts relating to construction of the Project.

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

Section 5.5. Payment of Project Costs for Machinery and Equipment. The Issuer hereby agrees to pay for the purchase and acquisition of machinery and equipment constituting a part of the Improvements, but solely from the Project Fund, from time to time, upon receipt by the Trustee of a certificate signed by the Authorized Company Representative in the form provided by *Appendix A* hereto which is incorporated herein by reference and accompanied by the following specific information:

- (a) Name of seller;
- (b) Name of the manufacturer;
- (c) A copy of the seller's invoice, purchase order or other like document evidencing the purchase by the Company of such machinery and/or equipment;
- (d) Common descriptive name of machinery or equipment;
- (e) Manufacturer's or seller's technical description of machinery or equipment;
- (f) Capacity or similar designation;
- (g) Serial number, if any; and
- (h) Model number, if any.

The sole obligation of the Issuer under this Section shall be to cause the Trustee to make such disbursements upon receipt of said certificates. The Trustee may rely fully on any such certificate and shall not be required to make any independent investigation in connection therewith, except that the Trustee shall investigate requests for reimbursements directly to the Company and shall require such supporting evidence as would be required by a reasonable and prudent corporate trustee. All machinery, equipment and/or personal property acquired, in whole or in part, from funds deposited in the Project Fund pursuant to this Section shall be a part of the Project.

Section 5.6. Completion of Project. The Company covenants and agrees to proceed diligently to complete the Improvements on or before the Completion Date. Upon completion of the Improvements, the Company shall cause the Authorized Company Representative to deliver a Certificate of Completion, in the form substantially as attached hereto as *Appendix B*, to the Trustee. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished to the Trustee or on the Completion Date, whichever shall first occur, such remaining funds shall be transferred by the Trustee to the Principal and Interest Payment Account on the earlier of receipt of the Certificate of Completion or the Completion Date and shall be applied in accordance with the provisions of the Indenture.

Section 5.7. Deficiency of Project Fund. If the Project Fund shall be insufficient to pay fully all Project Costs and to fully complete the Improvements, lien free (except for Permitted Encumbrances), the Company covenants to pay the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials, machinery, equipment,

property and services as the same shall become due, and the Company shall save Issuer and Trustee whole and harmless from any obligation to pay such deficiency.

Section 5.8. Right of Entry by Issuer. The duly authorized agents of Issuer shall have the right at any reasonable time and upon reasonable notice to the Company prior to the completion of the Improvements to have access to the Project or any part thereof for the purpose of inspecting the acquisition, installation or construction thereof.

Section 5.9. Machinery, Furnishings and Equipment Purchased by the Company. If no part of the purchase price of an item of machinery, furnishings, equipment or personal property is paid from funds deposited in the Project Fund pursuant to the terms of this Lease, then such item of machinery, furnishings, equipment or personal property shall not be deemed a part of the Project.

ARTICLE VI

Section 6.1. Liability Insurance. As a condition precedent to payment of Costs of Issuance or disbursement of funds from the Project Fund pursuant to Article V hereunder, the following policies of insurance shall be in full force and effect:

(a) Comprehensive general liability insurance covering the Company's operations in or upon the Project (including coverage for all losses whatsoever arising from the ownership, maintenance, use or operation of any automobile, truck or other vehicle in or upon the Project) under which the Company shall be named as insured and the Issuer and the Trustee shall be named as additional insureds, as their interests in the Project shall appear, in an amount not less than \$1,000,000 per occurrence); which policy shall provide that such insurance may not be canceled by the issuer thereof without at least 10 days' advance written notice to the Issuer, the Company and the Trustee, such insurance to be maintained throughout the life of this Lease. The policy should include blanket contractual liability coverage, independent contractors coverage and broad form property damage coverage.

(b) Worker's compensation with statutory benefits including employers liability in such amount as is satisfactory to Bondowners, or, if such limits are established by law, in such amounts.

Section 6.2. Property Insurance. The Company shall and covenants and agrees that it will, throughout the Basic Term at its sole cost and expense, keep the Improvements continuously insured against loss or damage by fire, lightning and all other risks covered by the broadest form extended coverage property insurance endorsements then in use in the State in an amount equal to the Full Insurable Value thereof in such insurance company or companies as it may select.

Section 6.3. General Insurance Provisions.

(a) Prior to the expiration dates of the expiring policies, or within 10 days of renewal, certificates of the policies provided for in this Article shall be delivered by the Company to the Trustee. All policies of such insurance and all renewals thereof shall name the Company as insured and the Issuer and the Trustee as additional insureds and loss payees as their respective interests may appear, shall contain a provision that such insurance may not be canceled or amended by the issuer

thereof without at least 10 days' written notice to the Issuer, the Company and the Trustee and shall be payable to the Issuer, the Company and the Trustee as their respective interests appear. The Issuer and the Company each hereby agree to do anything necessary, be it the endorsement of checks or otherwise, to cause any such payment to be made to the Trustee, as long as such payment is required by this Lease to be made to the Trustee. Any charges made by the Trustee for its services shall be paid by the Company.

(b) Each policy of insurance hereinabove referred to shall be issued by an insurance company qualified under the laws of the State to assume the risks covered therein.

(c) Certificates of insurance evidencing the insurance coverage herein required shall be filed with the Trustee continuously during the term of this Lease, or immediately upon the change or transfer of such insurance coverage.

(d) Each policy of insurance hereinabove referred to may be subject to a reasonable deductible.

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

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

Section 6.4. Evidence of Title. As a condition precedent to the disbursement of funds, the Company shall purchase a policy of title insurance, insuring the Issuer's leasehold interest in the Land, subject to Permitted Encumbrances, in an amount equal to the value of the Land and Improvements becoming a part of the Project. Such policy shall contain full coverage against mechanic's liens. The Issuer and the Company agree that any and all proceeds therefrom during the Basic Term (a) if received before the completion of the Improvements shall be paid into and become a part of the Project Fund, (b) if received thereafter but before the Series 2016 Bonds and interest thereon have been paid in full, shall be paid into and become a part of the Principal and Interest Payment Account, and (c) if received after the Series 2016 Bonds and interest thereon have been paid in full, shall belong and be paid to the Company.

ARTICLE VII

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

Section 7.2. Receipted Statements. Unless the Company exercises its right to contest any Impositions in accordance with Section 7.4 hereof, the Company shall, within 30 days after the last day for payment, without penalty or interest, of an Imposition which the Company is required to

bear, pay and discharge the same pursuant to the terms hereof, and deliver to the Issuer a photostatic or other suitable copy of the statement issued therefor duly received to show the payment thereof.

Section 7.3. Issuer May Not Sell. The Issuer covenants that except pursuant to Article XX hereof after an Event of Default has occurred and is continuing, without the Company's prior written consent, unless required by law, it will not sell or otherwise part with or encumber its leasehold interest in the Project at any time during the Term of this Lease.

Section 7.4. Contest of Impositions. The Company shall have the right, in its own or the Issuer's name or both, to contest the validity or amount of any Imposition by appropriate legal proceedings instituted at least 10 days before the Imposition complained of becomes delinquent if, and provided, the Company (i) before instituting any such contest, shall give the Issuer and the Trustee written notice of its intention to do so and, if requested in writing by the Issuer, shall deposit with the Trustee a surety bond of a surety company acceptable to Issuer as surety, in favor of the Issuer, cash or other form of security reasonably acceptable to the Issuer, in a sum of at least the amount of the Imposition so contested, assuring the payment of such contested Impositions together with all interest and penalties to accrue thereon and court costs, and (ii) diligently prosecutes any such contest and at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (iii) promptly pays any final judgment enforcing the Imposition so contested and thereafter promptly procures record release or satisfaction thereof. The Company shall hold the Issuer whole and harmless from any costs and expenses the Issuer may incur related to any such contest due to the Issuer's leasehold interest in the Project.

Section 7.5. Ad Valorem Taxes. The Company acknowledges that nothing in this Lease is to be construed as an agreement by the Issuer to grant an exemption from general ad valorem and property taxes for the property financed with the proceeds of the Series 2016 Bonds.

ARTICLE VIII

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

ARTICLE IX

Section 9.1. Sublease by the Company. The Company will not assign, mortgage, pledge, sell or in any other manner transfer, convey, sublease or dispose of this Lease or any interest therein or part thereof, whether voluntary, involuntary or by operation of law, without the prior written

consent thereto of the Issuer. In the event of any such subleasing, the Company shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between Issuer or the Trustee and any such subtenant shall relieve the Company of any of its duties and obligations hereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of this Lease.

Section 9.2. Assignment by the Company. The Company may assign or mortgage its interest or any part hereof in this Lease with the prior written consent of the Issuer. In the event of any such assignment, the Company shall remain fully liable for the performance of its duties and obligations hereunder, except to the extent hereinafter provided, and no such assignment and no dealings or transactions between Issuer or the Trustee and any such assignee shall relieve the Company of any of its duties and obligations hereunder, except as may be otherwise provided in the following Section.

Section 9.3. Release of the Company. If, in connection with an assignment by the Company of its interest in this Lease, (1) the Issuer and the Owners of 100% in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the Trustee their prior written consent to such assignment and (2) the proposed assignee shall expressly assume and agree to perform all of the obligations of the Company under this Lease; then the Company shall be fully released from all obligations accruing hereunder after the date of such assignment.

Section 9.4. Mergers and Consolidations. Notwithstanding the provisions of Sections 9.2 and 9.3 above, if the Company shall assign or transfer, by operation of law or otherwise, its interests in this Lease in connection with a transaction involving the merger or consolidation of the Company with or into, or a sale, lease or other disposition of all or substantially all of the property of the Company as an entirety to another person, association, corporation or other entity, and (1) the Issuer shall file with the Trustee its prior written consent to such assignment or transfer, (2) the proposed assignee, transferee or surviving entity shall expressly assume and agree to perform all of the obligations of the Company under this Lease, and (3) the Company shall furnish the Trustee and the Issuer with evidence in the form of financial statements accompanied by the certificate of an independent certified public accountant of recognized standing establishing that the net worth of such proposed assignee, transferee or surviving corporation or other entity immediately following such assignment or transfer will be at least equal to the net worth of the Company as shown by the most recent financial statement of the Company furnished to the Trustee pursuant to this Lease; then and in such event the Company shall be fully released from all obligations accruing hereunder after the date of such assignment or transfer.

Section 9.5. Covenant Against Other Assignments. The Company will not assign or in any manner transfer its interests under this Lease, nor will it suffer or permit any assignment thereof by operation of law, except for Permitted Encumbrances and assignments or transfers of interest which are otherwise in accordance with the limitations, conditions and requirements herein set forth.

ARTICLE X

Section 10.1. Repairs and Maintenance. The Company covenants and agrees that it will, during the Term of this Lease, at its own expense, keep and maintain the Project and all parts

thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the machinery, equipment and personal property constituting a part of the Project in good mechanical and working order.

Section 10.2. Removal, Disposition and Substitution of Machinery or Equipment.

The Company shall have the right, provided the Company is not in default in the payment of Basic Rent and Additional Rent, to remove and sell or otherwise dispose of any machinery or equipment which constitutes a part of the Project and is no longer used by the Company or, in the opinion of the Company, is no longer useful to the Company in its operations (whether by reason of changed processes, changed techniques, obsolescence, depreciation or otherwise), subject, however, to the following conditions:

(a) Prior to any such removal, the Company shall prepare a certificate signed by the Authorized Company Representative (i) containing a complete description, including the make, model and serial numbers, if any, of any machinery and equipment constituting a part of the Project which it proposes to remove, (ii) stating the reasons for such removal, (iii) stating what disposition, if any, of the machinery or equipment is to be made by Company after such removal and the names of the party or parties to whom such disposition is to be made and any consideration to be received by the Company therefor, if any, and (iv) setting forth the original cost of such machinery or equipment.

(b) Prior to any such removal, the Company shall furnish the certificate to the Trustee and pay any consideration received for such machinery or equipment as set forth in said certificate to the Trustee and the Trustee shall deposit such amount in the Principal and Interest Payment Account. Any money deposited in the Principal and Interest Payment Account pursuant to this Section shall be used to redeem Outstanding Bonds at their earliest optional redemption date.

(c) The Company may remove any machinery or equipment constituting a part of the Project without complying with the provisions of subparagraph (b) above; provided, however, that the Company shall promptly replace any such machinery or equipment so removed with machinery or equipment of the same or a different kind but which perform the same function as the machinery or equipment so removed, and the machinery or equipment so acquired by the Company to replace such machinery or equipment thereafter shall be deemed a part of the Project. The Company shall maintain accurate records of such replacements and upon request shall prepare a certificate of the Authorized Company Representative setting forth a complete description, including make, model and serial numbers, if any, of the machinery or equipment which the Company has acquired to replace the machinery or equipment so removed by the Company, stating the cost thereof and the respective acquisition dates.

All machinery or equipment constituting a part of the Project and removed by the Company pursuant to this Section shall become the absolute property of the Company and may be sold or otherwise disposed of by the Company subject to the certification requirements of this Section. In all cases, the Company shall pay all the costs and expenses of any such removal and shall immediately repair at its expense all damage to the Project caused thereby. The Company's rights under this Article to remove machinery or equipment constituting a part of the Project is intended only to permit the Company to maintain an efficient operation by the removal of such machinery and

equipment no longer suitable to the Company's use for any of the reasons set forth in this Section and such right is not to be construed to permit a removal under any other circumstances and shall not be construed to permit the wholesale removal of such machinery or equipment by the Company.

ARTICLE XI

Section 11.1. Alteration of Project. The Company shall have and is hereby given the right, at its sole cost and expense, to make such changes and alterations in and to any part of the Project as the Company from time to time may deem necessary or advisable without consent of the Issuer or the Trustee; provided, however, the Company shall not make any major change or alteration which will materially adversely affect the intended use or structural strength of any part of the Improvements. All changes and alterations made by the Company pursuant to the authority of this Article shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, shall be deemed a part of the Project; provided, however, that additions of machinery, equipment and/or personal property of the Company, not purchased or acquired from proceeds of the Bonds and not constituting a part of the Project shall remain the separate property of the Company and may be removed by the Company at any time; provided further, however, that all such additional machinery, furnishings, equipment and/or personal property which remain in the Project after the termination of this Lease for any cause other than the purchase of the Project pursuant to Article XVII hereof shall, upon and in the event of such termination, become the separate and absolute property of the Issuer.

ARTICLE XII

Section 12.1. Additional Improvements. The Company shall have and is hereby given the right, at its sole cost and expense, to construct on the Land or within areas occupied by the Improvements, or in airspace above the Project, such additional buildings and improvements as the Company from time to time may deem necessary or advisable. All additional buildings and improvements constructed by the Company pursuant to the authority of this Article shall, during the Term, remain the property of the Company and may be added to, altered or razed and removed by the Company at any time during the Term hereof. The Company covenants and agrees (a) to make any repairs and restorations required to repair any damage to the Project because of the construction of, addition to, alteration or removal of, said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Land, in a good, workmanlike manner, or repair, replace or restore such of said additional buildings or improvements as may from time to time be damaged by fire or other casualty, and (d) that all additional buildings and improvements constructed by the Company pursuant to this Article which remain in place after the termination of this Lease for any cause other than the purchase of the Project pursuant to Article XVII hereof shall, upon and in the event of such termination, shall continue to be subject to the Base Lease; provided, however, the Company shall have the right, prior to or within 60 days after the termination of this Lease, to remove from or about the Project the buildings, improvements, machinery, equipment, personal property, furnishings and trade fixtures which the Company owns under the provisions of this Lease and are not a part of the Project.

ARTICLE XIII

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

Section 13.2. Mechanic's Liens. The Company shall not do or suffer anything to be done whereby the Project, or any part thereof, may be encumbered by any mechanic's or other similar lien and if, whenever and so often as any mechanic's or other similar lien is filed against the Project, or any part thereof, the Company shall discharge the same of record within 30 days after the date of filing. Notice is hereby given that the Issuer does not authorize or consent to and shall not be liable for any labor or materials furnished to the Company or anyone claiming by, through or under the Company upon credit, and that mechanic's or similar liens for any such labor, services or materials shall not attach to or affect the estate of the Issuer in and to the Project, or any part thereof.

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

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

ARTICLE XIV

Section 14.1. Indemnity. The Company shall and hereby covenants and agrees to indemnify, protect, defend and save the Issuer and the Trustee harmless from and against any and all claims, demands, liabilities and costs, including attorneys' fees, arising from damage or 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 Term hereof, and upon timely written notice from the Issuer or the Trustee, the Company shall defend the Issuer and the Trustee in any action or proceeding brought

thereon; provided, however, that nothing contained in this Section shall be construed as requiring the Company to indemnify the Issuer or the Trustee for any claim resulting from any willful or malicious act or omission of the Issuer or the Trustee, or their respective agents and employees. The Company also covenants and agrees, at its expense, to pay and to indemnify the Issuer and the Trustee from and against all costs, expenses and charges, including reasonable counsel fees (to the extent permitted by law), incurred in obtaining possession of the Project after default of the Company, or in enforcing any covenant or agreement of the Company contained in this Lease or the Indenture.

ARTICLE XV

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

ARTICLE XVI

Section 16.1. Option to Extend Term. The Company shall have the option to extend the Basic Term of this Lease for the Additional Term provided that (a) the Company shall give the Issuer written notice of its intention to exercise each such option at least 30 days prior to the expiration of the Basic Term and (b) the Company is not in default hereunder in the payment of Basic Rent or Additional Rent at the time it gives the Issuer such notice or at the time the Additional Term commences. In the event the Company exercises such option, the terms, covenants, conditions and provisions set forth in this Lease shall be in full force and effect and binding upon the Issuer and the Company during the Additional Term except that the Basic Rent during any extended term herein provided for shall be the sum of \$1,000.00 per year, payable in advance on the first Business Day of such Additional Term.

ARTICLE XVII

Section 17.1. Option to Purchase Project. Subject to the provisions of this Article, the Company shall have the option to purchase Issuer's leasehold interest in the Project at any time during the Term hereof and for 10 days thereafter. The Company shall exercise its option by giving the Issuer written notice of the Company's election to exercise its option and specifying the date, time and place of closing, which date (the "Closing Date") shall neither be earlier than 30 days nor later than 180 days after the notice is given. The Company may not, however, exercise such option if the Company is in Default hereunder on the Closing Date unless all Defaults are cured upon payment of the purchase price specified in Section 17.2.

Section 17.2. Termination of Base Lease and Lease; Purchase Price. If said notice of election to purchase is given, the Issuer and the Company shall terminate the Base Lease and this Lease and the Issuer shall release all of its interest in the Project to the Company on the Closing Date free and clear of all liens and encumbrances except:

- (a) Permitted Encumbrances;
- (b) those to which title was subject on the date of this Lease, or to which title became subject with the Company's written consent, or which resulted from any failure of the Company to perform any of its covenants or obligations under this Lease;
- (c) outstanding taxes and assessments, general and special, if any, which have been assessed but not yet paid; and
- (d) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project.

The purchase price to be paid by the Company at closing shall equal:

- (a) The full amount which is required to provide the Issuer and the Trustee with funds sufficient, in accordance with the provisions of the Indenture, to pay at maturity or to redeem and pay in full (i) the principal of all of the Outstanding Bonds, (ii) all interest due thereon to date of maturity or redemption, whichever first occurs, and (iii) all costs, expenses, and premiums incident to the redemption and payment of said Bonds in full and the termination of the Base Lease and Lease and preparation and delivery of the documents described in Section 17.3, plus
- (b) \$1,000.

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

Section 17.3. Closing of Purchase. On the Closing Date the Issuer shall deliver to the Company appropriate instrument or instruments of conveyance or assignment, properly executed and releasing the Issuer's interest in the Project to the Company free and clear of all liens and encumbrances except as set forth in the preceding section above provided as follows: (a) the amount specified in clause (i) of Section 17.2 shall be paid to the Trustee for deposit in the Principal and Interest Payment Account to be used to pay or redeem Bonds and the interest thereon as provided in the Indenture, and (b) the amount specified in clause (ii) of said Section 17.2 shall be paid to the Issuer; provided, however, nothing herein shall require the Issuer to deliver its appropriate instrument or instruments of conveyance or assignment to the Company until after all duties and obligations of the Company under this Lease to the date of such delivery have been fully performed and satisfied. Upon the delivery to the Company of the Issuer's appropriate instrument or instruments of

conveyance or assignment and payment of the purchase price by the Company, this Lease shall *ipso facto* terminate, subject to the provisions of Section 20.2 hereof.

Section 17.4. Effect of Failure to Complete Purchase. If, for any reason, the purchase of the Issuer's leasehold interest in the Project by the Company pursuant to valid notice of election to purchase is not effected on the Closing Date, this Lease shall be and remain in full force and effect according to its terms the same as though no notice of election to purchase had been given, except that if such purchase is not effected on the Closing Date because the Issuer is unable to release its leasehold interest in the Project, the Company shall have the right to cancel this Lease forthwith if, but only if, the principal of and interest on the Bonds and all costs incident to the redemption and payment of the Bonds have been paid in full. The Company shall also have the right to exercise any legal or equitable remedies, in its own name or in the name of the Issuer, to obtain a release of the Issuer's interest in the Project.

Section 17.5. Application of Condemnation Awards if Company Purchases Project. The right of the Company to exercise its option to purchase the Issuer's leasehold interest in the Project under the provisions of this Article shall remain unimpaired notwithstanding any condemnation of title to, or the use for a limited period of, all or any part of the Project.

ARTICLE XVIII

Section 18.1. Damage and Destruction.

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

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

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

(d) The Company shall not, by reason of its inability to use all or any part of the Improvements during any period in which the Improvements are damaged or destroyed, or are being

repaired, rebuilt, restored or replaced nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement or any abatement or diminution of the Basic Rent or Additional Rent payable by the Company under this Lease nor of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 18.2. Condemnation.

(a) If, during the Term title to, or the temporary use of, all or any part of the Project shall be condemned by any authority exercising the power of eminent domain, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify the Issuer and the Trustee in writing as to the nature and extent of such condemnation and whether it is practicable and desirable to acquire or construct substitute improvements.

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

(c) If the Company shall determine, in its sole discretion, that it is not practicable and desirable to acquire or construct substitute improvements, any Net Proceeds of condemnation awards received by the Company shall be paid into the Principal and Interest Payment Account. Such moneys shall be used to redeem Bonds at their earliest optional redemption date. The Company agrees that it shall be reasonable in exercising its judgment pursuant to this subsection (c).

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

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

Section 18.3. Effect of Company's Defaults. Anything in this Article to the contrary notwithstanding, the Issuer and the Trustee shall have the right at any time and from time to time to withhold payment of all or any part of the Net Proceeds from the Project Fund attributable to damage, destruction or condemnation of the Project to the Company or any third party if an Event of Default has occurred and is continuing, or the Issuer or Trustee has given notice to the Company of

any Default which, with the passage of time, will become an Event of Default. In the event the Company shall cure any Defaults specified herein the Trustee shall make payments from the Net Proceeds to the Company in accordance with the provisions of this Article. However, if this Lease is terminated or the Issuer or the Trustee otherwise re-enters and takes control of the Project without terminating this Lease, the Trustee shall pay all the Net Proceeds held by it into the Principal and Interest Payment Account and all rights of the Company in and to such Net Proceeds shall cease.

ARTICLE XIX

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

ARTICLE XX

Section 20.1. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Issuer may take any one or more of the following remedial actions:

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

(b) Give the Company written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 10 days after such notice is given and, if all defaults have not then been cured on the date so specified, the Company's leasehold interest of the Project shall cease, and this Lease shall thereupon be terminated, and the Issuer may re-enter and control the Project for the remaining term of the Base Lease; or

(c) Give the Company written notice of intention to terminate the Base Lease and this Lease on a date specified therein, which date shall not be earlier than 10 days after such notice is given and, if all defaults have not then been cured on the date so specified, the Base Lease and this Lease shall thereupon be terminated, or

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

Having elected to re-enter or take control of the Project without terminating the Base Lease or this Lease, the Issuer and the Trustee acting on behalf of Issuer shall use reasonable diligence to relet the Project, or parts thereof, for such term or terms and at such rental and upon such other terms and conditions as are deemed advisable, with the right to make alterations and repairs to the Project, and no such re-entry or taking of control of the Project shall be construed as an election to terminate the Base Lease or this Lease, and no such re-entry or taking of control shall relieve the Company of its obligation to pay Basic Rent or Additional Rent (at the time or times provided herein), or of any of its other obligations under the Base Lease or this Lease, all of which shall survive such re-entry or taking of control. The Company shall continue to pay the Basic Rent and Additional Rent provided for in this Lease until the end of the Term, whether or not the Project shall have been relet, less the net proceeds, if any of reletting the Project.

Having elected to re-enter or take control of the Project pursuant to subsection (c) hereunder, the Issuer or Trustee acting on behalf of the Issuer may (subject, however, to any restrictions against termination of the Base Lease or this Lease in the Indenture), by notice to the Company given at any time thereafter while the Company is in default in the payment of Basic Rent or Additional Rent or in the performance of any other obligation under the Base Lease or this Lease, elect to terminate this Lease in accordance with subsection (b) hereunder and thereafter proceed to sell its interest in the Project.

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

Net proceeds of any reletting of the Project shall be deposited in the Principal and Interest Payment Account. "Net Proceeds" for this purpose shall mean the receipts obtained from reletting after deducting all expenses incurred in connection with such reletting or sale, including without limitation, all repossession costs, brokerage commissions, legal expenses, expenses of employees, alteration costs and expenses of preparation of the Project for reletting.

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

Section 20.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this

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

ARTICLE XXI

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

ARTICLE XXII

Section 22.1. Surrender of Control. Upon accrual of the Issuer's right of re-entry as the result of the Company's default hereunder or upon the cancellation or termination of this Lease by lapse of time or otherwise (other than as a result of the Company's purchase of the Project), the Company shall peacefully surrender control of the Project to the Issuer in good condition and repair, ordinary wear and tear excepted; provided, however, the Company shall have the right, prior to or within 60 days after the termination of this Lease, to remove from on or about the Project the buildings, improvements, machinery, equipment, personal property, furnishings and trade fixtures which the Company owns under the provisions of this Lease and which are not a part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Company. All buildings, improvements, machinery, equipment, personal property, furnishings and trade fixtures owned by the Company and which are not so removed from on or about the Project prior to or within 60 days after such termination of this Lease shall become the separate and absolute property of the Issuer.

ARTICLE XXIII

Section 23.1. Notices. All notices required or desired to be given hereunder shall be in writing and shall be delivered in person to the Notice Representative sent via United States mail, postage prepaid, certified or registered mail, return receipt requested, or overnight delivery that provides written evidence of delivery to the Notice Address. All notices given by certified or registered mail as aforesaid shall be deemed duly given as of the date of first attempted delivery at the Notice Address; notices given by overnight delivery shall be deemed duly given as of the date on the day after they are sent. Notwithstanding the foregoing provisions of this Section 23.1, notices,

certificates or communications to the Trustee shall be deemed duly and fully given only upon receipt by the Trustee. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Company to the other shall also be given to the Trustee.

ARTICLE XXIV

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

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

ARTICLE XXV

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

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

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

ARTICLE XXVI

Section 26.1. Quiet Enjoyment and Possession. The Company shall enjoy peaceable and quiet possession of the Project as long as no Event of Default has occurred and is continuing.

ARTICLE XXVII

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

ARTICLE XXVIII

Section 28.1. Amendments. This Lease may be amended, changed or modified by an agreement in writing executed by the Issuer and the Company and consented to in writing by the Trustee and by the Owners of all of the Outstanding Bonds.

Section 28.2. Granting of Easements. If no Event of Default under this Lease shall have happened and be continuing, the Company may, at any time or times, (a) grant easements, licenses and other rights or privileges in the nature of beneficial easements with respect to any property included in the Project, free from any rights of the Issuer or the Bondowners, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall determine, and the Issuer agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Issuer of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the Authorized Company Representative requesting such instrument, and (iii) a certificate executed by the Company stating (aa) that such grant or release is not detrimental to the proper conduct of the business of the Company, and (bb) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not materially adversely affect the security of the Bondowners. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Issuer and the right of the Bondowners and shall not be affected by any termination of this Lease or default on the part of the Company hereunder. If no Event of Default shall have happened and be continuing, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company, but, in the event of the termination of this Lease because of Default of the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the Issuer.

Section 28.3. Security Interests. If requested in writing by the Owners of 100% of the Outstanding Bonds, the Issuer and the Company agree to execute and deliver all instruments (including financing statements and statements of continuation thereof) reasonably necessary for perfection of and continuance of the security interest of the Issuer in and to the Project. After receipt of such Bondowner request, the Issuer shall file or cause to be filed all such original instruments and the Trustee shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be Outstanding.

Under the Indenture, the Issuer will, as additional security for the Bonds assign, transfer, pledge and grant a security interest in certain of its rights under this Lease to the Trustee. The Trustee is hereby given the right to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Company, and the Company hereby consents to the same and agrees that the Trustee may enforce such rights as provided in the Indenture and the Company will make payments required hereunder directly to the Trustee.

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

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

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

Section 28.7. Section Headings. The section headings hereof are for the convenience of reference only and shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof. The reference to section numbers herein or in the Indenture shall be deemed to refer to the numbers preceding each section.

Section 28.8. Execution of Counterparts. This Lease may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

Section 28.9. Limitation of Rights Under the Lease. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Lease is intended or shall be construed to give any person, other than the parties hereto and the Trustee and Bondowners, any right, remedy or claim under or with respect to this Lease, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Trustee and the Bondowners as herein provided.

Section 28.10. Integration. This Lease contains the final and complete understanding of the parties as of the date hereof and constitutes their entire agreement regarding the subject matter hereof, all prior negotiations, representations and statements having been merged herein.

[Remainder of Page Intentionally Left Blank]

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

CITY OF OTTAWA, KANSAS

By _____
Mayor

(SEAL)

ATTEST:

By _____
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me on February ____, 2016, by Mike Skidmore, Mayor, and Carolyn S. Snethen, City Clerk.

Notary Public

My Appointment Expires: _____

APPENDIX A

FORM OF CERTIFICATE FOR PAYMENT OF PROJECT COSTS

**CITY OF OTTAWA, KANSAS
Project Fund
(Super Market Developers, Inc.)
Payment Order No. ____**

UMB Bank, N.A.
1010 Grand Avenue, 4th Floor
Kansas City, MO 64106
Attention: Trust Department

You are hereby authorized and directed by the undersigned, the Authorized Company Representative, acting on behalf of Super Market Developers, Inc., as tenant (the “Company”) to disburse funds held by you as Trustee in the above-mentioned Project Fund for the purposes and in the amounts set forth in the Payment Schedules attached hereto and incorporated herein by reference (the “Payment Schedules”).

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

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

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

I further certify that each of the representations and covenants on the part of the Company contained in the Lease dated as of February 1, 2016, by and between the city of Ottawa, Kansas, as the Issuer, and the Company are now true and correct in all material respects and are now being materially complied with.

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

This certificate may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

DATED _____, 20____.

SUPER MARKET DEVELOPERS, INC.

By: _____
Authorized Company Representative

EXHIBIT A - Payment Order No. _____

**PAYMENT SCHEDULE
FOR BUILDINGS AND IMPROVEMENTS**

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

PAYMENT SCHEDULE

| <u>Payee Name</u> | <u>Payee Address</u> | <u>Purpose or Nature of Payment</u> | <u>Amount</u> |
|-------------------|----------------------|-------------------------------------|---------------|
|-------------------|----------------------|-------------------------------------|---------------|

EXHIBIT B - Payment Order No. _____

**PAYMENT SCHEDULE
FOR MACHINERY AND EQUIPMENT**

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

PAYMENT SCHEDULE

| <u>Payee Name</u> | <u>Description of Equipment</u> | <u>Amount</u> |
|-------------------|---|---------------|
| | (include name and address of manufacturer, descriptive name, technical description, capacity, serial number or model number as appropriate) | |

APPENDIX B

FORM OF CERTIFICATE OF COMPLETION

The undersigned, being the Authorized Company Representative for Super Market Developers, Inc., as tenant (the “Company”), under a certain Lease dated as of February 1, 2016, between the City of Ottawa, Kansas (the “Issuer”), and the Company, and as beneficiary of the Issuer’s Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.) issued pursuant to a certain Trust Indenture dated as of February 1, 2016 (the “Indenture”), hereby certifies:

1. The Improvements (as defined in the Indenture) have been completed in accordance with the plans and specifications prepared at Company’s direction.
2. The Improvements have been completed in a good and workmanlike manner.
3. There are no mechanic’s, materialmen’s liens or other statutory liens on file encumbering title to the Land as defined in the Indenture); all bills for labor and materials furnished for the Improvements which could form the basis of a mechanic’s materialmen’s or other statutory lien against the Land have been paid in full, and within the past four months no such labor or materials have been furnished which have not been paid for.
4. All Improvements are located or installed upon the Land.
5. All material provisions of applicable building codes have been complied with and, if applicable, a certificate of occupancy has been issued with respect to the Project.
6. All moneys remaining in the Project Fund being held by the Trustee under the Indenture should be transferred to the Principal and Interest Payment Account being held by the Trustee under the Indenture as required by Section 504 of the Indenture, to be applied as provided therein.

APPENDIX C

GLOSSARY OF WORDS AND TERMS

“Abandonment” means the voluntary relinquishment of all right, title, claim and possession, with the intention of terminating the leasehold interest in the Project, but without vesting it in any other person or entity and with the intention of not reclaiming future possession or resuming leasehold possession and enjoyment. The mere nonuse of the Project, lapse of time without claiming or using the Project or the temporary absence of the Company including, but not limited to, nonuse due to condemnation, damage or destruction of the Project, unaccompanied by any other evidence showing intention to abandon shall not, in and of itself, constitute abandonment.

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

“Additional Term” shall mean that term commencing on the last day of the Basic Term and terminating 1 year thereafter.

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

“Base Lease” means the Base Lease Agreement delivered concurrently with this Lease between the Company and the Issuer.

“Basic Rent” means the amount which, when added to Basic Rent Credits, will be sufficient to pay, on the Payment Date, all principal of and interest on all Outstanding Bonds (as defined in the Indenture) which is due and payable on such Payment Date.

“Basic Rent Credits” means all funds on deposit in the Principal and Interest Payment Account and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Payment Date.

“Basic Rent Payment Date” means February 1, 2017.

“Basic Term” means that term commencing as of the date of this Lease and ending on February 1, 2017, subject to prior termination as specified in this Lease, but ending, in any event, when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall

have been paid in full or provision made for their payment in accordance with the provisions of the Indenture.

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

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

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

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

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

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

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

(a) Failure of the Company to make any payment of Basic Rent within 10 days of the time and in the amounts required hereunder; or

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

(c) An Event of Bankruptcy; or

(d) Abandonment of the Project by the Company.

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

“Hazardous Substances” shall mean “hazardous substances” as defined in CERCLA.

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

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

“Lease” means this Lease between the Issuer and the Company, as from time to time supplemented and amended in accordance with the provisions hereof and of the Indenture.

“Net Proceeds” means, when used with respect to any insurance or condemnation award with respect to the Project, the proceeds from the insurance or condemnation award remaining after the payment or all expenses (including the Company’s attorneys’ fees and any extraordinary expenses of the Trustee occasioned by such casualty or condemnation) incurred in the collection of such proceeds.

The term "Notice Address" shall mean:

- (1) With respect to the Company:

Super Market Developers, Inc.
5000 Kansas Avenue
Kansas City, Kansas 66106
Attn: General Counsel

With a copy to:

Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, MO 64112
Attn: Stephen M. James

- (2) With respect to the Issuer:

City of Ottawa, Kansas
101 S. Hickory Street
Ottawa, KS 66067
Attn: City Attorney

- (3) With respect to the Trustee:

UMB, N.A., as Trustee
1010 Grand Avenue, 4th Floor
Kansas City, MO 64106
Attention: Trust Department

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

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

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

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Ottawa, Kansas (the “Issuer”) in connection with the issuance by the City of its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.) (the “Series 2016 Bonds”):

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

[insert legal description]

Said real property constituting the “Land” as referred to in the Indenture and the Lease entered into by the Issuer concurrently with the issuance of the Series 2016 Bonds (the “Indenture” and the “Lease”), subject to the Permitted Encumbrances.

- (b) All buildings, building additions, improvements, machinery, furnishings and equipment now constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer’s Series 2016 Bonds, and which constitute Improvements as defined in the Indenture, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this Schedule I together constituting the “Project” as referred to in the Indenture and the Lease.

CITY OF OTTAWA, KANSAS

AS ISSUER

AND

UMB BANK, N.A.
KANSAS CITY, MISSOURI

AS TRUSTEE

TRUST INDENTURE

DATED AS OF FEBRUARY 1, 2016

NOT TO EXCEED \$6,100,000
INDUSTRIAL REVENUE BONDS
(TAXABLE UNDER FEDERAL LAW)
SERIES 2016
(SUPER MARKET DEVELOPERS, INC.)

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of February 1, 2016 (the “Indenture”), between the City of Ottawa, Kansas (the “Issuer”), and UMB Bank, N.A. (the “Trustee”);

WITNESSETH:

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

WHEREAS, pursuant to such authorization, the Issuer’s governing body has passed an ordinance authorizing the Issuer to issue its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.), in the principal amount not to exceed \$6,100,000 (the “Series 2016 Bonds”), for the purpose of financing the cost of acquiring, constructing and equipping a commercial facility which will operate as a grocery store and include real estate, building, improvements and equipment to be located at the 19th and Princeton Market Center development within the City (the “Improvements”), and authorizing the Issuer to lease the Project (as hereinafter more fully described) to Super Market Developers, Inc., a Missouri corporation (the “Company”); and

WHEREAS, pursuant to such ordinance, the Issuer is authorized (i) to execute and deliver this Indenture for the purpose of issuing and securing the Series 2016 Bonds and any Additional Bonds (collectively the “Bonds”), as hereinafter provided, (ii) to enter into a Base Lease Agreement of even date herewith (the “Base Lease”) to lease from the Company certain real property (the “Land”) on which the Improvements are or will be located (the Improvements and the Land, collectively, the “Project”) and (iii) to enter into a Lease of even date herewith (the “Lease”), between the Issuer and the Company, pursuant to which Issuer shall lease back the Project to the Company, in consideration of rentals which are intended to be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds as the same become due; and

WHEREAS, all things necessary to make the Series 2016 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding limited obligations of the Issuer, and to make this Indenture a valid and legally binding pledge and assignment of the Trust Estate created in this Indenture made for the security of the payment of the principal of, premium, if any, and interest on the Bonds issued under this Indenture, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Series 2016 Bonds, subject to these terms, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts created in this Indenture, the purchase and acceptance of the Series 2016 Bonds by the Original Purchaser, and of other good and valuable consideration, the receipt of which is acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions in this Indenture and in the Bonds contained, does pledge and assign unto the Trustee and its successors and assigns, the property described in paragraphs (a), (b) and (c) below (said property being referred to as the "Trust Estate"), to wit:

(a) The leasehold interest in the real property situated in Franklin County, Kansas, described in *Schedule I* attached, with all Improvements (as defined in this Indenture) now or hereafter located thereon, to the extent and subject to the limitations provided in the Lease.

(b) All right, title and interest of the Issuer in, to and under the Base Lease and Lease (except the Unassigned Issuer's Rights), and all rents, revenues and receipts derived by the Issuer from the Project including, without limitation, all Basic Rent derived by the Issuer under and pursuant to and subject to the provisions of the Lease; provided that the pledge and assignment made shall not impair or diminish the obligations of the Issuer under the provisions of the Lease.

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

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

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

PROVIDED, HOWEVER, that if the Issuer shall pay, or cause to be paid, the principal of, premium, if any, and interest on all the Bonds, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment of (as provided in Article XIII of this Indenture), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions of this

Indenture, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

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

ARTICLE I DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this Indenture, the capitalized words and terms used in this Indenture and in the Lease shall have the meanings assigned in the Glossary attached here as *Appendix B*, unless some other meaning is plainly intended.

Section 102. Rules of Interpretation.

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

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

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

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

ARTICLE II THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Ottawa, Kansas Industrial Revenue Bonds (Taxable

Under Federal Law), Series 2016 (Super Market Developers, Inc.),” with such other appropriate particular designation added to or incorporated in such title for the Bonds of any particular series of Additional Bonds as the Issuer may determine. The total principal amount of bonds that may be issued hereunder is expressly limited to an amount not to exceed \$6,100,000 principal amount of the Series 2016 Bonds and any Additional Bonds permitted under the terms of this Indenture.

Section 202. Limited Nature of Obligations.

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

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

Section 203. Denomination, Numbering and Dating of Bonds.

(a) The Bonds shall be fully registered bonds in the Authorized Denominations, not exceeding the principal amount of the Bonds maturing on the Principal Payment Date. The Bonds shall be substantially in the form set forth in Article IV of this Indenture. The Bonds of each series of Bonds shall be numbered in such manner as the Trustee shall determine.

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

certificates issued in lieu of Bonds surrendered for transfer or exchange, the effective date of registration shall be as of the date to which interest has been paid in full on the Bonds surrendered.

Section 204. Method and Place of Payment of Bonds. Payment of the principal of each Bond shall be made by the Trustee on the Principal Payment Date to the person appearing on the registration books of the Issuer maintained by the Trustee as the Registered Owner by check or draft mailed to such Bondowner at the address appearing on such registration books. Final payment of principal and redemption premium, if any, on all Bonds shall be made by check or draft upon the presentation and surrender of the certificate(s) representing such Bonds at the stated maturity or earlier required redemption of the Bonds at the corporate trust office of the Paying Agent or at such other office designated by the Paying Agent. The interest payable on the Bonds on the Interest Payment Date shall be paid by check or draft mailed to the Registered Owner at such Registered Owner's address as it appears on the bond registration books of the Issuer kept by the Trustee, or at such other address as is furnished in writing by such Owner to the Paying Agent at the close of business on the Record Date for such interest. Notwithstanding the foregoing, the principal, redemption price of, and the interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to written instructions from any Bondowner provided by the Owner to the Paying Agent not less than 5 days prior to the Record Date for such interest, which instructions shall include the name of the receiving bank (which shall be in the continental United States), its address, ABA routing number and the name, number and contact name related to such Bondowner's account at such bank and shall also acknowledge a wire transfer fee payable by such Bondowner. In addition, as provided in the Lease, the Bonds may be paid by presentation of the Bonds to the Trustee for cancellation.

Section 205. Execution and Authentication of Bonds.

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

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

Section 206. Registration, Transfer and Exchange of Bonds.

(a) The Series 2016 Bonds may only be transferred (1) to the Issuer or the Tenant, (2) with the written consent of the Issuer pursuant to a registration statement which has been declared effective under the 1933 Act, or (3) with the written consent of the Issuer to institutional “accredited investors” as defined in Rule 501(a) under the 1933 Act, or QIBs. By its acceptance of a Series 2016 Bond, each purchaser of a Series 2016 Bond (except for the Issuer and the Tenant) will be deemed to (1) have represented that the Series 2016 Bonds are being acquired for investment and not with a view to distribution and (a) it is an institutional accredited investor or a fiduciary or agent (other than a United States bank or savings and loan association) that is acting on behalf of an institutional accredited investor, or (b) it is a QIB acting on behalf of itself or another QIB (and, if it is a QIB, acknowledges that it is aware that the seller may rely on an exemption from the provisions of Section 5 of the 1933 Act pursuant to Rule 144A), and (2) have agreed that any resale of the Series 2016 Bond will be made only in a transaction exempt from registration under the 1933 Act and only to an institutional accredited investor or to a QIB in a transaction made pursuant to Rule 144A under the 1933 Act, to the Issuer or the Tenant or pursuant to an effective registration statement filed under the 1933 Act or pursuant to another available exemption from registration under the 1933 Act. Each Series 2016 Bond will bear a legend containing substantially the information set forth in this paragraph.

(b) The Trustee, the Issuer and the Company shall have the right, prior to any offer, sale or transfer of the Series 2016 Bonds other than to the Issuer or the Tenant, to require the delivery of an opinion of counsel, certifications or other information satisfactory to each of them with respect to the lawfulness of such offer, sale or transfer.

(c) Bonds may be transferred only upon the books maintained by Trustee for the registration and transfer of Bonds upon surrender of the certificate(s) representing such Bonds to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Bondowner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bonds new Bond Certificate(s), registered in the name of the transferee, of any Authorized Denominations in an aggregate principal amount equal to the principal amount of such Bonds, of the same series and maturity and bearing interest at the same rate. In the event that any Bondowner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code of 1986, as amended, such amount may be deducted by the Paying Agent from amounts otherwise payable to any Bondowner.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bond certificates in accordance with the provisions of this Indenture. All Bond certificates surrendered in any such exchange or transfer shall immediately be canceled by the Trustee. The Issuer or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid by the Bondowner before any such new Bond certificate shall

be delivered. Neither the Issuer nor the Trustee shall be required to make any such exchange or transfer of Bonds on or after the Record Date preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion of the Bonds has been selected for redemption.

(e) All of the duties of the Trustee set forth in this Section 206 may be performed by any co-trustee or co-paying agent appointed by the Trustee, to the extent specified in the instrument appointing such co-trustee or co-paying agent.

Section 207. Persons Deemed Owners of Bonds. The person in whose name any Bond shall be registered as shown on the registration books required to be maintained by the Trustee by this Article shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of, or on account of the principal of, premium, if any, and, interest on any such Bond shall be made only to or upon the order of such Registered Owner or a duly constituted legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 208. Authorization of Series 2016 Bonds.

(a) There shall be initially issued and secured pursuant to this Indenture a series of Bonds in the principal amount not to exceed \$6,100,000 for the purpose of providing funds to pay Project Costs, which series of Bonds shall be designated the “City of Ottawa, Kansas, Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc).” The Series 2016 Bonds shall be dated the Dated Date, shall become due on the Principal Payment Date and in the principal amount (subject to prior redemption as provided in Article III of this Indenture) and shall bear interest from their Dated Date or the Interest Payment Date to which interest has been paid, which interest shall accrue on the outstanding principal amount of the Series 2016 Bonds as shown on *Schedule A* to the Bond at the Interest Rate and shall mature on the Maturity Date. The Series 2016 Bonds shall be issued as a single bond in the Authorized Denomination.

The Trustee shall, and is hereby irrevocably authorized by the Issuer, to endorse *Schedule A* to the Series 2016 Bond to evidence the funding of proceeds from the sale of the Series 2016 Bonds and the payment of principal of the Series 2016 Bonds, and each such notation and the principal amount shown on *Schedule A* shall be conclusive of the outstanding principal amount owing with respect to such Series 2016 Bonds, in the absence of manifest error; provided, however, that the Issuer’s obligations shall not be affected by any failure to endorse *Schedule A* correctly or at all.

(b) Interest on the Bonds shall be payable to the Owners on the Interest Payment Date in accordance with the provisions of Article II of this Indenture.

(c) The Trustee is designated as the Issuer’s Paying Agent for the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds. The Trustee may appoint one or more financial institutions to act as co-paying agent for the Series 2016 Bonds.

(d) Upon the original issuance and delivery of the Series 2016 Bonds, the effective date of registration shall be their Dated Date.

(e) The Series 2016 Bonds shall be substantially in the form and manner set forth in Article IV of this Indenture and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

- (i) An original or certified copy of the ordinance enacted by the Issuer's governing body authorizing the issuance of the Series 2016 Bonds and the execution of this Indenture, the Base Lease and the Lease.
- (ii) An original executed counterpart of this Indenture.
- (iii) An original executed counterpart of the Base Lease.
- (iv) An original executed counterpart of the Lease.
- (v) An opinion of Bond Counsel to the effect that the Series 2016 Bonds constitute valid and legally binding obligations of the Issuer and that the interest on the Series 2016 Bonds is exempt from Kansas income taxation, subject to such limitations and restrictions as shall be described therein.
- (vi) An opinion of counsel to the Company and the Original Purchaser to the effect that the Base Lease, the Lease and the Bond Purchase Agreement constitute valid and legally binding obligations of the Company and/or the Original Purchaser, as applicable, together with such other opinion as the Trustee shall require.
- (vii) An original executed counterpart of the Bond Purchase Agreement.
- (viii) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of the Series 2016 Bonds.

(f) When the documents specified in subsection (e) of this Section shall have been filed with the Trustee, and when certificates representing all the Series 2016 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2016 Bonds to or upon the order of the Original Purchaser, but only upon payment to the Trustee of the Purchase Price of the Series 2016 Bonds. The Original Proceeds, including accrued interest and premium, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article V of this Indenture.

Section 209. Authorization of Additional Bonds.

(a) With the consent of the Owners of all Outstanding Bonds, Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 2016 Bonds and any other Additional Bond Outstanding at any time and from time to time, upon compliance with the conditions provided in this Section, for any of the following purposes:

- (i) To provide funds to pay all or any part of the costs of repairing, replacing or restoring Improvements in the event of damage, destruction or condemnation to or thereof.
- (ii) To provide funds to pay all or any part of the costs of acquisition, construction or equipping of such additional Land or Improvements as the Company may deem necessary or desirable and as will not impair the nature of the Project as a “facility” within the meaning and purposes of the Act.
- (iii) To provide funds for refunding all or any part of the Bonds of any series then Outstanding, including the payment of any premium and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

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

(c) Such Additional Bonds shall have the same designation as the Series 2016 Bonds, except for an identifying series letter or date and the addition of the word “Refunding” when applicable, shall be dated, shall be stated to mature on Principal Payment Dates in such year or years, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law, and shall be redeemable at such times and prices (subject to the provisions of Article III of this Indenture), all as may be provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 2016 Bonds and any other Additional Bonds Outstanding at the time of the issuance of such Additional Bonds.

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

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

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

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

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

(v) The written consent of the Owners of all of the Bonds.

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

(e) When the documents mentioned in subsection (d) of this Section shall have been filed with the Trustee, and when such Additional Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the Purchase Price of such Additional Bonds. The proceeds of the sale of such Additional Bonds, (except Additional Bonds issued to refund Outstanding Bonds), including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee and shall be deposited and applied by the Trustee as provided in Article V of this Indenture and in the Supplemental Indenture authorizing the issuance of such Additional Bonds. The proceeds, (excluding accrued interest and premium, if any, which shall be deposited in the Principal and Interest Payment Account) of all Additional Bonds issued to refund Outstanding Bonds shall be deposited by the Trustee, after payment or making provision for payment of all expenses incident to such financing, to the credit of a special trust fund, appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, premium, if any, and interest on the Bonds to be refunded, as provided in Section 1302 of this Indenture and in the Supplemental Indenture authorizing the issuance of such refunding Bonds.

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

Section 210. Temporary Bonds.

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

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

Section 211. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond certificate shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond certificate of like series, date and tenor as the Bond certificate mutilated, lost, stolen or destroyed. In the case of any mutilated Bond certificate, such mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond certificate, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond certificate the Issuer may pay or authorize the payment of the same without surrender of the certificate. Upon the issuance of any substitute Bond certificate, the Issuer and the Trustee may require the payment of an amount sufficient to reimburse the Issuer and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection with the issuance.

Section 212. Cancellation and Destruction of Bonds Upon Payment.

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

(b) All Bonds canceled under any of the provisions of this Indenture shall be delivered by the Trustee to the Issuer, or, upon request of the Issuer, shall be destroyed by the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so delivered or destroyed, and shall file executed counterparts of such certificate with the Issuer and the Company.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption of Bonds Generally. The Series 2016 Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions of this Article. Additional Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Bonds; provided, however, no provision shall be made with respect to the redemption of any Additional Bonds which would result in, or constitute the creation of, a preference or priority of such Additional Bonds over the Series 2016 Bonds.

Section 302. Redemption of Series 2016 Bonds. The Bonds shall be subject to redemption as follows:

(a) Extraordinary Optional Redemption. In the event of a Change of Circumstances, the Series 2016 Bonds shall be subject to redemption and payment prior to the stated maturity, at the option of the Issuer, upon instructions from the Company, on any date at the par value of the principal amount, plus accrued interest to the redemption date, without premium, provided all of the Series 2016 Bonds are so redeemed and paid according to their terms.

(b) Optional Redemption. The Series 2016 Bonds shall be subject to redemption and payment prior to maturity, in whole or in part, at any time, at the option of the Issuer, which option shall only be exercised upon instructions from the Company, at the redemption price of the par value of the principal amount, without premium.

(c) Extraordinary Mandatory Redemption. The Series 2016 Bonds are subject to extraordinary mandatory redemption in whole by the Issuer in the event the Base Lease and the Lease are terminated for any reason.

At its option, the Company may deliver to the Trustee for cancellation, the Series 2016 Bonds in any aggregate principal amount desired and receive a credit in respect to the payment of the applicable portion of the principal amount thereof pursuant to this Section. Such credit shall only apply to the extent the applicable principal portion of such Series 2016 Bonds has not been previously canceled by the Trustee or previously applied as a credit against any redemption or payment obligation hereunder. Each Series 2016 Bond so delivered shall be credited at 100% of the outstanding principal amount on the obligation of the Issuer on the next redemption or payment date, and any excess of such amount shall be credited on future redemption or payment obligations for such Series 2016 Bonds. The cancellation of Series 2016 Bonds pursuant to this Section shall not result in Series 2016 Bonds Outstanding being in any amount less than an Authorized Denomination.

If the Company intends to exercise the option granted by the preceding paragraph, the Company will furnish the Trustee and the Issuer with a certificate signed by its Authorized Company Representative indicating what portion of the principal amount of the Series 2016 Bonds will be cancelled and applied as a credit against redemption or payment obligations. Notwithstanding any provision herein to the contrary, it is the intent of the parties that ownership of the Bonds by the

Company does not, in and of itself, extinguish the obligation for payment of the principal of and interest on the Bonds.

Section 303. Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in amounts resulting in Bonds Outstanding for a series being in Authorized Denominations. If less than all of the Outstanding Bonds of any series are to be redeemed and paid prior to maturity, such Bonds shall be redeemed in the manner selected by the Trustee. Bonds of less than a full maturity are to be selected by the Trustee in such equitable manner as it may determine.

(b) No portion of a Bond may be redeemed that would result in a Bond which is smaller than the then permitted minimum Authorized Denomination. For this purpose, the Trustee shall consider each Bond in a denomination larger than the minimum Authorized Denomination permitted by the Bonds at the time to be separate Bonds each in the minimum Authorized Denomination. Provisions of this Indenture that apply to Bonds called for redemption also apply to portions of Bonds called for redemption. If it is determined that one or more, but not all, of the face value represented by any fully registered Bond is selected for redemption, then the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the redemption date) of the portion of the Bonds called for redemption, and (2) for exchange, without charge to the Owner of the Bond, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount thereof called for redemption (and to that extent only).

Section 304. Trustee's Duty to Redeem Bonds. The Trustee shall call Bonds for mandatory redemption immediately upon receipt of written advice from the Issuer that the event giving rise to mandatory redemption has occurred, and stating the redemption date. Upon receipt by the Trustee of such written advice, if required, and upon its own initiative if not required, the Trustee shall give at least 30 days' written notice of redemption to the Bondowners as provided in this Indenture. The Trustee shall call Bonds for redemption and payment as provided in this Indenture and shall give notice of redemption as provided in Section 305 of this Indenture upon receipt by the Trustee at least 45 days prior to the proposed redemption date (unless waived) of a written request of the Issuer together with a copy of the redemption instructions of the Company. Such instructions shall specify the principal amount and the respective maturities of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption. In the event of a mandatory redemption as provided in this Indenture, no instructions from the Company shall be necessary.

Section 305. Notice of Redemption. Notice of the call for any redemption identifying the Bonds or portions to be redeemed shall be given by the Trustee, in the name of the Issuer, by mailing by first-class mail, postage prepaid, a copy of the redemption notice at least 30 days prior to the date fixed for redemption (unless waived) to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give

such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the date of redemption, the place or places at which such Bonds shall be presented for payment, the series, maturities and numbers of the Bonds or portions of the Bonds to be redeemed (and in the case of the redemption of a portion of any Bond the principal amount being redeemed), the redemption price and shall state that interest on the Bonds described in such notice will cease to accrue from and after the redemption date. A copy of each such notice of redemption shall be provided to any authorized co-paying agent appointed by the Trustee.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed, if CUSIP numbers were assigned to the Bonds; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least one day before the mailing of notice to Bondowners by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

Section 306. Effect of Call for Redemption. On or prior to the date fixed for redemption, funds or Government Securities maturing on or before the date fixed for redemption shall be deposited with the Trustee in amounts sufficient to provide for payment of the Bonds called for redemption, accrued interest to the redemption date and the redemption premium, if any. Upon the deposit of such funds or Government Securities, and notice having been given as provided in Section 305 of this Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

ARTICLE IV FORM OF BONDS

Section 401. Forms Generally. The Series 2016 Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be, respectively, in substantially the form set forth in *Appendix A*. Any Additional Bonds, and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially such form, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legend or text as may be necessary or

appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

ARTICLE V CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Project Fund. There is established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated the “City of Ottawa, Kansas Project Fund (Super Market Developers, Inc.)”

Section 502. Deposits into the Project Fund. The following funds shall be paid over to and deposited by the Trustee into the Project Fund, as and when received:

(a) The proceeds from the sale of the Series 2016 Bonds, excluding such amounts, if any, as are required to be paid into the Principal and Interest Payment Account pursuant to Section 602 of this Indenture, but including the initial funding of the Purchase Price for the Series 2016 Bonds and all subsequent advances made pursuant to the Bond Purchase Agreement.

(b) The earnings accrued on the investment of moneys in the Project Fund and required to be deposited into the Project Fund pursuant to Section 702 of the Indenture.

(c) The proceeds from the sale of any Additional Bonds (except Additional Bonds issued to refund Outstanding Bonds) (excluding such amounts thereof required to be paid into the Principal and Interest Payment Account pursuant to Section 602 of the Indenture).

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

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

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

Section 503. Disbursements from the Project Fund.

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

(b) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and after the Project has been completed and a certificate of

payment of all costs filed as provided in Section 504 of this Indenture, the Trustee shall file a statement of receipts and disbursements with respect thereto with the Issuer and the Company.

(c) In the event of casualty or condemnation, any Net Proceeds deposited in the Project Fund shall be disbursed by the Trustee in accordance with the provisions of Article XVIII of the Lease, and the Trustee covenants and agrees to disburse such moneys in accordance with such provisions.

Section 504. Disposition Upon Completion of the Bond Improvements. The completion of the Bond Improvements and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee by the Company of the Certificate of Completion required by Section 5.6 of the Lease. As soon thereafter as practicable, but in no event later than the Completion Date, any balance remaining in the Project Fund shall without further authorization be deposited in the Principal and Interest Payment Account and applied by the Trustee solely to the payment of principal of the Bonds through the payment or redemption thereof on any Redemption Date specified in Section 302 hereof or as otherwise permissible in the opinion of Bond Counsel.

Section 505. Disposition Upon Acceleration. If the principal of the Bonds shall have become due and payable pursuant to Section 901 of this Indenture, upon the date of payment by the Trustee of any moneys due as hereinafter provided in Article IX, any balance remaining in the Project Fund shall, without further authorization, be deposited in the Principal and Interest Payment Account by the Trustee.

ARTICLE VI REVENUES AND FUNDS

Section 601. Creation of the Principal and Interest Payment Account. There is directed to be established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated the “City of Ottawa, Kansas Principal and Interest Payment Account for Industrial Revenue Bonds (Super Market Developers, Inc.)” (herein called the “Principal and Interest Payment Account”). The Trustee may create separate subaccounts in the Principal and Interest Payment Account for each series of Bonds issued pursuant to this Indenture.

Section 602. Deposits into the Principal and Interest Payment Account. The Trustee shall deposit into the Principal and Interest Payment Account, as and when received, the following:

(a) All accrued interest, if any, on the Series 2016 Bonds and premium, if any, paid by the Original Purchaser of the Bonds.

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

(c) All Basic Rent payable by the Company to the Issuer specified in Section 3.1 of the Lease.

(d) Any amount in the Project Fund to be transferred to the Principal and Interest Payment Account pursuant to Section 504 hereof upon completion of the Bond Improvements and any amount remaining in the Project Fund to be transferred to the Principal and Interest Payment Account pursuant to Section 505 of this Indenture upon acceleration of the maturity of the Bonds.

(e) All interest and other income derived from investments of Principal and Interest Payment Account moneys as provided in Section 702 of this Indenture.

(f) All other moneys received by the Trustee under and pursuant to any of the provisions of the Lease, except Additional Rent, or when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Principal and Interest Payment Account.

Section 603. Application of Moneys in the Principal and Interest Payment Account.

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

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

(c) The Trustee, upon written direction of the Issuer and the Company, shall use any excess moneys in the Principal and Interest Payment Account (other than investment earnings credited to such account) to redeem Outstanding Bonds, interest accruing thereon prior to such redemption, and redemption premium, if any, in accordance with and to the extent permitted by Article III of this Indenture so long as the Company is not in Default with respect to payments of Basic Rent under the Lease and to the extent said moneys are in excess of amounts required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment. The Company may also direct such excess moneys in the Principal and Interest Payment Account or such part of other moneys of the Company, as the Company may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation.

(d) Any amount remaining in the Principal and Interest Payment Account after the principal of, premium, if any, and interest on the Bonds shall have been paid in full or provision made therefor in accordance with Article XIII of this Indenture, shall be paid to the Company by the Trustee.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal, premium, if any, or

interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 605. Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal becomes due, either at its stated maturity or at the date called for redemption, or the Trustee is unable to locate the Owner for the payment of accrued interest or an accrued interest check remains uncashed, if funds sufficient to pay such Bond and accrued interest shall have been made available to the Trustee, all liability of the Issuer to the Bondowner for the payment of such Bond and accrued interest shall cease and be completely discharged, and the Trustee shall hold such funds, without interest, for the benefit of such Bondowner, who shall thereafter be restricted exclusively to such funds for any claim on, or with respect to, such Bond and interest. If any Bond shall not be presented for payment within four years following the date when it becomes due, whether by maturity or otherwise, or the accrued interest cannot be paid as set out above, the Trustee shall repay to the Company the funds theretofore held by it for payment of such Bond and interest, and such Bond and interest shall thereafter be an unsecured obligation of the Company, subject to the defense of any applicable statute of limitation, and the Owner of the Bond shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid, and the Company shall not be liable for any additional interest.

ARTICLE VII SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any fund or account under any provision of this Indenture, and all moneys deposited with or paid to the Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture, the Base Lease and the Lease and, until used or applied as so provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except interest earned on investments made pursuant to Section 702 of this Indenture and such other interest as may be agreed upon.

Section 702. Investment of Moneys in Funds. Moneys held in the Project Fund and the Principal and Interest Payment Account shall be separately invested and reinvested by the Trustee at the written direction of the Company in Investment Securities which mature or are subject to redemption by the owner prior to the date such funds will be needed. Any such Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and except as otherwise specifically provided in this Indenture, the interest accruing on and any profit realized from such Investment Securities shall be credited to and accumulated in such fund or account, and any loss resulting from such Investment Securities shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in any fund or account is insufficient for the purposes of such fund or account. In determining the balance in any fund or account, investments in such fund or account shall be valued at the lower of their original cost or their fair market value as of the most recent Payment Date. The Trustee may make

any and all investments permitted by the provisions of this Section through its own bond department or short-term investment department. The Trustee shall have no liability for any loss experienced on any investment made pursuant to this Section.

Section 703. Record Keeping. The Trustee shall maintain records demonstrating compliance with the provisions of this Article and with the provisions of Article VI for at least five years after the payment of all of the Outstanding Bonds.

ARTICLE VIII GENERAL COVENANTS AND PROVISIONS

Section 801. Payment of Principal of, Premium, if any, and Interest on the Bonds. The Issuer covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project as described in this Indenture, promptly pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning, and to this end the Issuer covenants and agrees that it will use its best efforts to cause the Project to be continuously leased as a revenue and income producing undertaking, and that, should there be a default under the Lease with the result that the right of possession of the Project is returned to the Issuer, the Issuer shall fully cooperate with the Trustee and with the Bondowners to protect the rights and security of the Bondowners and shall diligently proceed in good faith and use its best efforts to secure another tenant for the Project to the end that at all times sufficient rents, revenues and receipts will be derived by Issuer from the Project to provide for payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. If the Issuer is unable to procure a new tenant who will enter into such a lease, the Issuer may take such good faith action as shall be in the best interests of the Bondowners which may include the sale of the Project, and if the Project is sold, after deducting all costs of the sale, any moneys derived from such sale shall be used for the purpose of paying the principal of and interest and redemption premium, if any, on the Bonds. Nothing herein shall be construed as requiring the Issuer to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 802. Authority to Execute Indenture and Issue Bonds. The Issuer covenants that it is duly authorized under the constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent set forth in this Indenture; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

Section 803. Performance of Covenants. The Issuer covenants that it will use best efforts to endeavor to faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part contained in this Indenture and in the Bonds.

Section 804. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues described to secure the payment of the principal of, premium, if any, and interest on the Bonds. The Issuer covenants and agrees that, except as provided in this Indenture, the Base Lease and in the Lease, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

Section 805. Maintenance, Taxes and Insurance. The Issuer represents that pursuant to the provisions of Articles VI, VII and X of the Lease, the Company has agreed to cause the Project to be maintained and kept in good condition, repair and working order, to pay, as the same respectively become due, all taxes, assessments and other governmental charges at any time lawfully levied or assessed upon or against the Project or any part thereof, and to keep the Project constantly insured to the extent provided for therein, all at the sole expense of the Company.

Section 806. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the rents, revenues and receipts derived from the Project shall at all times be open to inspection by the Company, such accountants or other agencies as the Trustee may from time to time designate.

Section 807. Enforcement of Rights Under the Lease. The Issuer covenants and agrees that it shall authorize the Trustee to enforce all of its rights and all of the obligations of the Company (at the expense of the Company) under the Base Lease and the Lease to the extent necessary to preserve the Project in good order and repair, and to protect the rights of the Trustee and the Bondowners under this Indenture with respect to the pledge and assignment of the rents, revenues and receipts coming due under the Lease. The Trustee, as assignee of the Base Lease and the Lease, in its name or in the name of the Issuer shall enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Base Lease and the Lease for and on behalf of the Bondowners, whether or not the Issuer is in default under this Indenture.

Section 808. Possession and Use of Project. So long as not otherwise provided in this Indenture, the Company shall be suffered and permitted to possess, use and enjoy the Project and appurtenances so as to carry out its obligations under the Lease.

ARTICLE IX REMEDIES ON DEFAULT

Section 901. Acceleration of Maturity in Event of Default.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of Bondowners owning not less than 100% in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall then become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest on the Bonds, together with all Default Administration Costs, all overdue installments of Basic Rent and Additional Rent under the Lease and all other sums then payable by the Issuer under this Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee may in its discretion, and shall upon the written consent of Bondowners owning at least 100% in aggregate principal amount of the Bonds Outstanding, rescind such declaration and annul such default in its entirety.

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

Section 902. Exercise of Remedies by the Trustee.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and if requested to do so in writing by Bondowners owning not less than 100% of the aggregate principal amount of Bonds Outstanding, and if indemnified to its satisfaction and satisfactory provision has been offered as to payment of Default Administration Costs and third-party liability, shall pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as set forth in this Indenture.

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

(c) In any litigation with the Company, after an Event of Default, the Trustee may, after obtaining the written approval of Bondowners owning at least 51% of the aggregate principal amount of Bonds Outstanding, enter into an agreement to settle the litigation upon such terms as the Trustee in its sole discretion determines to be in the best interest of the Bondowners, even if such settlement involves reletting the Project for less than the amount needed to pay the Owners of the Bonds Outstanding the full amounts of the principal and accrued interest on the Bonds.

Section 903. Limitation on Exercise of Remedies by Bondowners. No Bondowner shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy under this Indenture, unless (i) a default has occurred of which the Trustee has knowledge, (ii) such default shall have become an Event of Default, (iii) Bondowners owning at least 51% in aggregate principal amount of Bonds then Outstanding shall have made written request to the

Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and (iv) satisfactory indemnity and provision for payment of Default Administration Costs and third-party liability shall have been offered to the Trustee and (v) the Trustee shall thereafter fail or refuse to exercise the powers granted in this Section to institute such action, suit or proceeding in its own name; and such knowledge and request are declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy under this Indenture, it being understood and intended that no one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right under this Indenture except in the manner provided in this Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided here and for the equal benefit of all Bonds then Outstanding.

Section 904. Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, Bondowners owning at least 51% in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, and upon providing the Trustee indemnification satisfactory to it as provided above, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and Trustee shall have the right to decline to follow such direction if the Trustee shall in good faith, and upon the advice of counsel, determine that proceeding so directed would expose the Trustee to personal liability.

Section 905. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission or exercise of any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 906. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on Bonds, and shall do so upon the written request of Bondowners owning at least 51% in aggregate principal amount of all the Bonds then Outstanding and satisfaction of the conditions set forth in Section 901(b). In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under this Indenture on account of any such default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall

extend to any subsequent or other default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings have been taken.

Section 907. Application of Moneys in Event of Default. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied as follows:

FIRST: Pro rata to the payment of all fees and expenses (including but not limited to attorneys' fees) and disbursements associated with the collection of such moneys incurred by or on behalf of the Issuer or the Trustee.

SECOND: Pro rata to the payment of all advances by the Issuer or the Trustee.

THIRD: A. If the principal of all the Bonds shall not have become due and payable, all such moneys shall be applied:

First: Pro rata to the persons entitled thereto of all installments of interest then due and payable on the Bonds, with interest at the stated rate of interest on the Bonds.

Second: Pro rata to the persons entitled thereto of the unpaid principal of any of the Bonds (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) with interest at the stated rate of interest on the Bonds.

B. If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied pro rata to the payment of the principal and interest then due and unpaid on all the Bonds to the persons entitled thereto with interest at the stated rate of interest on the Bonds.

C. If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled (under the provisions of this Article), then the moneys shall be applied in accordance with part "A" of this subsection.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is made and upon such date interest on the amount of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section, and all fees, expenses, advances and charges of the Trustee and the Issuer have been paid, any balance remaining in the Principal and Interest Payment Account shall be paid to the Company.

ARTICLE X THE TRUSTEE

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts in the manner in which a corporate trustee ordinarily would perform said trusts under a corporate indenture, and the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

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

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

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

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

(d) The Trustee may rely and shall be protected in acting or refraining from acting upon any ordinance, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture, the Base Lease or the Lease believed by it to be genuine and correct and to have been signed, presented or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is a Bondowner, shall be conclusive and binding upon all future

Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in substitution thereof.

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

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

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

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

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

(j) The Trustee shall not be required to take notice of, or be deemed to have notice of, any default hereunder or under the Lease, except the failure by the Company to cause to be made any of the payments required to be made under the Lease or in accordance with Article VI hereof, or the failure by the Issuer to cause compliance by the Company with the provisions of Article VI of the Lease, unless the Trustee shall have been specifically notified in writing of such default by the Issuer or by Bondowners owning 100% in aggregate principal amount of all Bonds then Outstanding.

(k) The Trustee may inform the Bondowners of environmental hazards that the Trustee has reason to believe exist with respect to the Project, the Land or the Improvements, and the Trustee shall have the right to take no further action with respect thereto, and, in such event, no fiduciary duty shall exist which imposes any obligation for further action by the Trustee with respect to the Project, the Land, the Improvements, the Trust Estate, or any portion thereof, if, in the opinion of the

Trustee, such action would subject the Trustee to environmental or other liability for which the Trustee has not received indemnity satisfactory to it.

Section 1002. Fees, Charges and Expenses of the Trustee; Lien for Fees and Costs and Additional Rent. The Trustee shall be entitled to payment of or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, reasonable agent and counsel fees and other ordinary costs, charges and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees, costs, expenses and charges of the Trustee as Paying Agent for the Bonds. The Trustee agrees that the Issuer shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all fees, charges and expenses of the Trustee and any Paying Agents as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred, for Default Administration Costs and for any unpaid Additional Rent owing under the Lease.

Section 1003. Notice to Bondowners if Default Occurs. If an Event of Default occurs, of which the Trustee is aware and of which it is required to take notice, the Trustee shall give written notice thereof to the Bondowners, as shown by the bond registration books required to be maintained by the Trustee and kept at the corporate trust office of the Trustee.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Bondowners, the Trustee may intervene on behalf of the Bondowners and shall do so if requested in writing by Bondowners owning at least 51% of the aggregate principal amount of Bonds then Outstanding and if provided with indemnity satisfactory to the Trustee.

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 1006. Resignation of Trustee. The Trustee may resign by an instrument in writing delivered by registered or certified mail to the Issuer and the Company to take effect not sooner than 90 days after its delivery, whereupon the Issuer, with the consent of the Company, shall immediately, in writing, designate a successor Trustee; provided, however, that the Trustee's resignation shall not become effective unless and until a successor Trustee is approved and qualified.

In the event the Issuer and the Company do not promptly designate a successor trustee, then the Trustee shall have the right to petition a court of competent jurisdiction for the appointment of a successor.

Section 1007. Removal of Trustee. As long as no Default or Event of Default shall have occurred and be continuing, the Trustee may be removed at any time by the Issuer and the Company; provided, that such removal shall not be effective unless and until a successor trustee is appointed and qualified, and provided further that such removal shall not become effective until after 60 days from the date written notice of such proposed removal is given to the Trustee by first-class mail. The Issuer and the Company, concurrently with giving notice to the Trustee, shall give notice by first-class mail of the proposed removal of the Trustee to all Bondowners. Unless Bondowners owning 100% of Bonds then Outstanding object in writing to the proposed removal of the Trustee, such removal shall become effective from the date specified in the notices, provided that the successor trustee shall have been qualified and have accepted the duties and responsibilities of the Trustee as of such date.

Section 1008. Qualifications of Successor Trustee. Every successor Trustee appointed pursuant to the provisions of this Article shall be a trust company or bank in good standing, qualified to accept such trust and acceptable to Issuer and Company.

Section 1009. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Section 1010. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, and the Company has failed after 30 days written notice to make such payment, the Trustee may pay such tax, assessment or governmental charge or insurance premium or rebate amount, without prejudice, however, to any rights of the Trustee or the Bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at a rate per annum equal to the Trustee's published prime rate in effect at the time, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, premium, if any, or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been

requested to do so by Bondowners owning 100% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 1011. Trust Estate May Be Vested in Co-trustee.

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

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

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

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

Section 1012. Annual Accounting. The Trustee shall render an annual accounting to the Issuer, the Company and to any Bondowner requesting the same in writing and remitting the Trustee's reasonable charges for preparing such copies, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

Section 1013. Recordings and Filings. The parties hereto acknowledge that, if requested by the Bondowner of any series of Bonds, a Memorandum of Lease with respect to the Base Lease, a Memorandum of Lease with respect to the Lease and an Assignment of Lease with respect to the Issuer's assignment of certain rights under the Base Lease and the Lease to the Trustee will be filed with the register of deeds of Franklin County, Kansas. The Trustee agrees to file or cause to be filed

any amendments to such documents or other security instruments reasonably requested by the Owners of the Bonds or the Issuer to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Bondowners and the rights of the Trustee hereunder; provided, however, the preparation and recording of any such documents or instruments shall be at the expense of the Company. The Trustee shall cause all appropriate continuation statements of financing statements initially recorded by the Issuer to be recorded and filed in such manner and in such places as may be required by law to continue the effectiveness of such financing statements.

Section 1014. Performance of Duties under the Base Lease and the Lease. The Trustee hereby accepts and agrees to perform, in such manner as is consistent with the terms of those instruments and this Indenture, all duties and obligations assigned to it under the Base Lease and the Lease.

ARTICLE XI SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondowners. The Issuer and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change not prejudicial to the Bondowners;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;
- (c) To more precisely identify the Project or to substitute or add additional property thereto;
- (d) To subject to this Indenture additional revenues, properties or collateral; and
- (e) To issue Additional Bonds as provided in Section 209 hereof.

Section 1102. Supplemental Indentures Requiring Consent of Bondowners. The Trustee and the Issuer may amend any provision of this Indenture or the Bonds with the written consent of the Owners owning 100% in aggregate principal amount then Outstanding.

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Company shall not become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of an amendment to the Lease executed by the Company in connection with the issuance of Additional Bonds under Section 209 hereof shall be deemed to constitute consent of the Company to the execution of a Supplemental Indenture pursuant to Section 209 hereof. In this regard, the Trustee

shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to Section 209 hereof) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

ARTICLE XII BASE LEASE AND LEASE AMENDMENTS

Section 1201. Base Lease and Lease Amendments. The provisions of the Base Lease and the Lease may be amended to the extent and upon the terms and conditions provided therein.

ARTICLE XIII SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of the Indenture.

(a) When the principal of, premium, if any, and interest on all Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in Section 1302 hereof, and provision shall also have been made for paying all other sums payable hereunder, including the fees and expenses of the Trustee and the Paying Agents to the date of retirement of the Bonds, then the duties of the Trustee under this Indenture shall cease. Thereupon the Trustee shall discharge and release this Indenture and shall execute, acknowledge and deliver to the Issuer such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Issuer any property at the time subject to this Indenture which may then be in its possession, except amounts in the Principal and Interest Payment Account required to be paid to the Company under Section 603(d) hereof and except funds or securities in which such funds are invested and held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

(b) The Issuer is hereby authorized to accept a certificate by the Trustee that the principal of, premium, if any, and interest due and payable upon all of the Bonds then Outstanding or such payment provided for in accordance with Section 1302 hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall deem this Indenture discharged.

Section 1302. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Indenture when payment of the principal of and the applicable premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (i) shall have been made or cause to be made in accordance with the terms thereof, or (ii) shall have been provided for by depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the

benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Securities.

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

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

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Bondowners.

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

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

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

(b) In determining whether the Bondowners owning the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Company or any affiliate of the Company shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. For purposes of this paragraph, the word “affiliate” means any person directly or

indirectly controlling or controlled by or under direct or indirect common control with the Company; and for the purposes of this definition, “control” means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledge establishes to the satisfaction of the Trustee the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Company or any affiliate of the Company.

Section 1402. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto, and the Bondowners, any right, remedy or claim under or with respect to this Indenture, and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Company and the Bondowners as herein provided.

Section 1403. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture shall be in writing and shall be deemed duly given or filed if the same shall be duly mailed by registered or certified mail, postage prepaid, or overnight delivery that provides written evidence of delivery to the Notice Representative.

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

Section 1404. Suspension of Mail Service. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 1405. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1406. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1407. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

[Remainder of Page Intentionally Left Blank]

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

CITY OF OTTAWA, KANSAS

By _____
Mayor

(Seal)

ATTEST:

By _____
City Clerk

“ISSUER”

ACKNOWLEDGMENT

STATE OF KANSAS)

) SS.

COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me on February ____, 2016, by Mike Skidmore, Mayor, and Carolyn S. Snethen, City Clerk, respectively, of the City of Ottawa, Kansas, a municipal corporation and political subdivision of the state of Kansas.

Notary Public

My Appointment Expires: _____

APPENDIX A
FORM OF BONDS

FACE OF THE BOND

THE OWNER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH BOND (1) TO THE ISSUER OR THE TENANT, (2) WITH THE WRITTEN CONSENT OF THE ISSUER PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT"), OR (3) WITH THE WRITTEN CONSENT OF THE ISSUER TO INSTITUTIONAL "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) UNDER THE 1933 ACT, OR QUALIFIED INSTITUTIONAL BUYERS ("QIB"). BY ITS ACCEPTANCE OF A SERIES 2016 BOND, EACH PURCHASER OF A SERIES 2016 BOND (EXCEPT FOR ISSUER AND TENANT) WILL BE DEEMED TO (1) HAVE REPRESENTED THAT THE SERIES 2016 BONDS ARE BEING ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION AND (A) IT IS AN INSTITUTIONAL ACCREDITED INVESTOR OR A FIDUCIARY OR AGENT (OTHER THAN A UNITED STATES BANK OR SAVINGS AND LOAN ASSOCIATION) THAT IS ACTING ON BEHALF OF AN INSTITUTIONAL ACCREDITED INVESTOR, OR (B) IT IS A QIB ACTING ON BEHALF OF ITSELF OR ANOTHER QIB (AND, IF IT IS A QIB, ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE 1933 ACT PURSUANT TO RULE 144A), AND (2) HAVE AGREED THAT ANY RESALE OF THE SERIES 2016 BOND WILL BE MADE ONLY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE 1933 ACT AND ONLY TO AN INSTITUTIONAL ACCREDITED INVESTOR OR TO A QIB IN A TRANSACTION MADE PURSUANT TO RULE 144A UNDER THE 1933 ACT, TO THE ISSUER OR THE TENANT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE 1933 ACT OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT. THE TRUSTEE, THE ISSUER AND THE COMPANY SHALL HAVE THE RIGHT, PRIOR TO ANY OFFER, SALE OR TRANSFER OF THE SERIES 2016 BONDS OTHER THAN TO THE ISSUER OR THE TENANT, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM WITH RESPECT TO THE LAWFULNESS OF SUCH OFFER, SALE OR TRANSFER.

No. _____

Not to exceed \$6,100,000

UNITED STATES OF AMERICA
STATE OF KANSAS
CITY OF OTTAWA, KANSAS

INDUSTRIAL REVENUE BOND
(TAXABLE UNDER FEDERAL LAW), SERIES 2016
(SUPER MARKET DEVELOPERS, INC.)

| | | |
|----------------|------------------|-------------------|
| Interest Rate: | Maturity Date: | Dated Date: |
| 5.00% | February 1, 2017 | February 18, 2016 |

Registered Owner: Super Market Developers, Inc., a Missouri corporation
Tax ID# [_____]

Principal Amount: Up to Six Million One Hundred Thousand and 00/100 Dollars
(as evidenced on Schedule A to this Series 2016 Bond)

The City of Ottawa, Kansas, a body politic and corporate incorporated as a city of the second class of the state of Kansas (the “Issuer”), for value received, promises to pay on the Maturity Date shown unless called for redemption prior to said Maturity Date, but solely from the sources hereinafter referred to, to the Registered Owner identified above, or registered assigns, upon the presentation and surrender of this certificate, the aggregate amount of proceeds from the sale of the Series 2016 Bonds funded in accordance with Section 208 of the within described Indenture which amount shall not exceed \$6,100,000 (the “Principal Amount”), and to pay interest on the outstanding Principal Amount as evidenced on Schedule A hereto at the Interest Rate per annum (computed on the basis of a 30/360-day basis) described above from the effective date of registration or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on February 1, 2017 (the “Interest Payment Date”), until said Principal Amount has been paid.

The Principal Amount or redemption price of this Bond shall be paid by check, draft or electronic transfer (provided instructions are provided as described herein) to the Registered Owner at the Maturity Date or redemption date thereof, upon presentation and surrender of this Bond at the principal corporate trust office of UMB Bank, N.A., in the City of Kansas City, Missouri (the “Paying Agent” and “Trustee”). The interest payable on this Bond on the Interest Payment Date shall be paid by check or draft mailed to the Registered Owner at such Registered Owner’s address as it appears on the bond registration books of the Issuer kept by the Trustee, or at such other address as is furnished in writing by such Registered Owner to the Paying Agent at the close of business on the Record Date for such interest. Notwithstanding the foregoing, the principal, redemption price of, and the interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to written instructions from any Registered Owner provided by the Registered Owner to the Paying Agent not less than 5 days prior to the Record Date for such interest, which instructions shall include the name of the receiving bank (which shall be in the continental United States), its address, ABA routing number and the name, number and contact name related to such Registered Owner’s account at such bank and shall also acknowledge a wire transfer fee payable by such Registered Owner.

This Bond certificate evidences ownership of a part of a duly authorized series of Bonds of the Issuer designated “City of Ottawa, Kansas, Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.),” in the principal amount not to exceed \$6,100,000 (the “Series 2016 Bonds”), issued for the purpose of financing the cost of acquiring, constructing and equipping a commercial facility which will operate as a grocery store and include real estate, building, improvements and equipment to be located at the 19th and Princeton Market Center development within the City (the “Improvements”), and certain real estate (the “Land”) on which the Improvements are or will be located (the Improvements and the Land, collectively, the “Project”), to be leased by Super Market Developers, Inc., a Missouri corporation (the “Company”), to the Issuer pursuant to a Base Lease Agreement dated as of February 1, 2016 (the “Base Lease”), and leased back to the Company by the Issuer under the terms of a Lease dated as of February 1, 2016, between the Issuer and the Company (the “Lease”), all pursuant to the authority of and in conformity with the provisions, restrictions and limitations of the constitution and statutes of the state of Kansas, including particularly K.S.A. 12-1740 *et seq.*, as amended, and pursuant to proceedings duly had by the Governing Body of the Issuer.

The Series 2016 Bonds are issued under and are equally and ratably secured and entitled to the protection of the Trust Indenture, dated as of February 1, 2016 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the Issuer and the Trustee. Subject to the terms and conditions set forth therein, the Indenture permits the Issuer to issue Additional Bonds (as defined therein) secured by the Indenture ratably and on a parity with the Series 2016 Bonds (the Series 2016 Bonds together with such Additional Bonds being herein referred to collectively as the “Bonds”). Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Bondowners, and the terms upon which the Bonds are issued and secured.

REDEMPTION OF BONDS

Extraordinary Optional Redemption. In the event of a Change of Circumstances (as defined in the Indenture), the Series 2016 Bonds shall be subject to redemption and payment prior to the stated maturity thereof at the option of the Issuer, upon instructions from the Company, on any date, at the par value of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

Optional Redemption. The Series 2016 Bonds are also subject to redemption and payment prior to maturity, in whole or in part, at any time, at the option of the Issuer, which option shall be exercised upon instructions from the Company, at the redemption price of the par value of the principal amount, without premium.

Extraordinary Mandatory Redemption. The Series 2016 Bonds are subject to extraordinary mandatory redemption in whole by the Issuer in the event the Base Lease and the Lease are terminated for any reason.

When any Bonds are called for redemption pursuant to the optional redemption previously described, unless waived by the Owner of this Bond, notice thereof identifying the Bonds to be redeemed will be given by mailing a copy of the redemption notice at least 30 days prior to the date fixed for redemption to the Owner of this Bond at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds.

All Bonds called for redemption will cease to bear interest on the specified redemption date and shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Series 2016 Bonds and the interest thereon are limited obligations of the Issuer payable exclusively out of the Trust Estate under the Indenture, including but not limited to the rents, revenues and receipts under the Lease, and are secured by a pledge of the Issuer’s interest in the Project (including any Project Additions) as described in the Lease and a pledge and assignment of the Trust Estate, including all rentals and other amounts to be received by the Issuer under and pursuant to the Lease, all as provided in the Indenture. The Bonds and the interest thereon do not

constitute a debt or general obligation of the Issuer, the state of Kansas or any municipal corporation thereof, and are not payable in any manner by taxation. The Bonds shall not constitute an indebtedness within the meaning of constitutional or statutory debt limitations or restrictions. Pursuant to the provisions of the Lease, Basic Rent is to be paid by the Company directly to the Trustee for the account of the Issuer and deposited in a special trust account created by the Issuer and designated "City of Ottawa, Kansas, Principal and Interest Payment Account for Industrial Revenue Bonds (Super Market Developers, Inc.)."

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

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

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

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

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

CITY OF OTTAWA, KANSAS

(Seal)

By: _____
Mayor

ATTEST:

City Clerk

(FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION)

This Bond certificate evidences ownership of the City of Ottawa, Kansas, Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.), as described herein and in the within-mentioned Trust Indenture. The date of authentication of this Bond is _____.

UMB BANK, N.A.
Kansas City, Missouri
Trustee

By: _____
Authorized Signature

(FORM OF ASSIGNMENT)

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

Print or Type Name and Address of Transferee

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

Dated: _____

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

Signature Guaranteed By:

[Seal of Bank]

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

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

APPENDIX B

GLOSSARY OF WORDS AND TERMS

“Act” means K.S.A. 12-1740 *et seq.*, as amended.

“Additional Bonds” means any Bonds issued in addition to the Series 2016 Bonds pursuant to Section 209 of this Indenture.

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

“Authorized Denominations” means (a) with respect to the Series 2016 Bonds, the principal amount Outstanding as shown on *Schedule A* to the Series 2016 Bonds provided the minimum Authorized Denomination shall be \$100,000 and (b) with respect to any Additional Bonds, the denominations provided for in the indenture or supplemental indenture authorizing the issuance of such Additional Bonds.

“Base Lease” means the Base Lease Agreement delivered concurrently with this Indenture between the Company and the Issuer.

“Bond” or “Bonds” means the Series 2016 Bonds and any Additional Bonds.

“Bond Counsel” means the firm of Kutak Rock LLP or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer and the Company.

“Bond Improvements” means the Improvements purchased, constructed or installed from Original Proceeds of the Series 2016 Bonds.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of February 1, 2016, between the Issuer and the Company/Original Purchaser, as may be amended from time to time.

“Bondowner” means the Owner of any Bond and, with respect to the Series 2016 Bonds, means the Owner of 100% of the aggregate principal amount of Outstanding Series 2016 Bonds.

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

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

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

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

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

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

“Company” means Super Market Developers, Inc., a Missouri corporation and its successors and assigns.

“Completion Date” means the date on which the Company files with the Trustee the Certificate of Completion required by Section 5.6 of the Lease or May 1, 2016, whichever comes first.

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

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

“Dated Date” means the date of issuance of the applicable series of Bonds.

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

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

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

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond on the stated maturity or accelerated maturity date thereof, or at the redemption date thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in any Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Issuer and the Company by the Trustee, or to the Trustee, the Issuer and the Company by Bondowners owning 100% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within such period and, diligently pursued until such default is corrected; or

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

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

“Improvements” means all buildings, building improvements, furnishings, machinery and equipment purchased in whole or in part from the proceeds of the Series 2016 Bonds or any Additional Bonds.

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

“Interest Payment Date” means any date on which any interest is payable on any Bond. With respect to the Series 2016 Bonds, the Interest Payment Date is February 1, 2017.

“Interest Rate” means, (a) with respect to the Series 2016 Bonds, 5.00% per annum calculated on a 30/360 day basis and (b) with respect to any Additional Bonds, the rate provided for in the indenture or supplemental indenture authorizing the issuance of such Additional Bonds.

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

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

(i) Government Securities;

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

(iii) savings or other depository accounts or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such deposits shall be either of a bank, trust company or national banking association continuously and fully insured by the Federal Deposit Insurance Corporation, or continuously and fully secured by such securities as are described above in clauses (i) or (ii), which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such deposits and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association accepting such deposit or issuing such certificate of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking.

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

(v) any investment in shares or units of a money market fund or trust determined by Trustee to be suitable for and customarily used for investment of trust funds by trust departments of commercial banks;

(vi) investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in clauses (i), (ii) or (iii) above.

“Issuer” means the City of Ottawa, Kansas, a body politic and corporate incorporated as a city of the second class, duly organized and existing under the laws of the State, and its successors and assigns.

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

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

“Maturity Date” means the date on which the principal of any Bond becomes due and payable as therein and herein provided, whether at the stated maturity thereof or at a call for redemption or otherwise.

“Notice Representative” means:

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

“Original Proceeds” means all sale proceeds, including accrued interest, from sale of the Series 2016 Bonds to the Original Purchaser and all investment earnings credited to the Project Fund prior to the Completion Date.

“Original Purchaser” means the Company.

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

- (a) Bonds canceled by the Trustee or delivered to the Trustee for cancellation pursuant to this Indenture;
- (b) Bonds for the payment or redemption of which moneys or investments have been deposited in trust with the Trustee and irrevocably pledged to such payment of redemption in accordance with the provisions of Section 1302 of this Indenture; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

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

“Paying Agent” means the Trustee and its successor and assigns.

“Payment Date” means the Principal Payment Date or the Interest Payment Date on any Bond.

“Permitted Encumbrances” means any mortgages, liens or other encumbrances specifically described in *Schedule I*, concurrent with the issuance of the Series 2016 Bonds and recorded in the Office of the Recorder of Deeds for Franklin County, Kansas, including easements and rights-of-way of record at the time of conveyance of the leasehold interest in the Land to the Issuer, and any other exceptions not affecting marketability or the usefulness of the Project to the Company.

“Principal and Interest Payment Account” means the “City of Ottawa, Kansas Principal and Interest Payment Account for Industrial Revenue Bonds (Super Market Developers, Inc.)” created pursuant to Section 601 of this Indenture.

“Principal Payment Date” means any date on which principal on any Bond is due and payable, whether at the stated maturity or earlier required redemption. With respect to the Series 2016 Bonds, the Principal Payment Date is February 1, 2017.

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

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

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

(a) all costs and expenses necessary or incident to the acquisition of the Land and such of the Bond Improvements as are acquired, constructed or in progress at the date of such issuance of the Series 2016 Bonds;

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

(c) all costs and expenses of constructing, acquiring or installing Improvements;

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

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

(f) interest accruing on Additional Bonds prior to the Completion Date, if and to the extent any Original Proceeds of Additional Bonds deposited to the credit of the Principal and Interest Payment Account pursuant to Section 602 of this Indenture are insufficient for payment of such interest; and

(g) Costs of Issuance.

“Project Fund” means the account authorized and established with the Trustee pursuant to the Indenture and designated the “City of Ottawa, Kansas Project Fund (Super Market Developers, Inc.).”

“Purchase Price” means (a) with respect to the Series 2016 Bonds, any amount of money up to \$6,100,000, which may be funded in increments as provided in Section 4.2 of the Lease; provided, however, that the initial funding of the Series 2016 Bonds must occur on the date of original delivery of the Series 2016 Bonds to the Original Purchaser and may not be less than the lesser of \$100,000 or 5.00% of the maximum principal amount of the Series 2016 Bonds, and (b) with respect to any Additional Bonds, the amount set forth in the indenture or supplement to this Indenture authorizing the issuance of such Additional Bonds.

“QIB” means a qualified institutional buyer as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities Act of 1933.

“Record Date” means the 15th day of the month in each year preceding each Interest Payment Date, or if such date is not a Business Day, the Business Day immediately preceding such date.

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

“Series 2016 Bonds” means the City of Ottawa, Kansas Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.), in the principal amount not to exceed \$6,100,000.

“State” means the state of Kansas.

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

“Tenant” means the tenant under the Lease.

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

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

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

“1933 Act” means the Securities Act of 1933, as amended.

SCHEDULE I

DESCRIPTION OF PROPERTY

The following property acquired by the City of Ottawa, Kansas (the “Issuer”) in connection with the issuance by the City of its Industrial Revenue Bonds (Taxable Under Federal Law), Series 2016 (Super Market Developers, Inc.) (the “Series 2016 Bonds”):

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

[insert legal description]

Said real property constituting the “Land” as referred to in the Indenture and the Lease entered into by the Issuer concurrently with the issuance of the Series 2016 Bonds (the “Indenture” and the “Lease”), subject to the Permitted Encumbrances.

- (b) All buildings, building additions, improvements, machinery, furnishings and equipment now constructed, located or installed on the Land, all or any portion of the costs of which were paid from the proceeds of the Issuer’s Series 2016 Bonds, and which constitute Improvements as defined in the Indenture, together with any substitutions or replacements therefor, the property described in paragraphs (a) and (b) of this Schedule I together constituting the “Project” as referred to in the Indenture and the Lease.

STAFF MEMORANDUM

Target Meeting Date: February 3, 2016

TO: Richard Nienstedt, City Manager

FROM: Wynndee S. Lee, AICP, Community Development Director

DATE: January 14, 2016

SUBJECT: **An Ordinance** for a conditional use permit to allow a group home with 10 residents on the property located at 27 E. Rockwood Dr., in an R-1 Low Density Dwelling District.

Comfort Care Homes is seeking approval of a conditional use permit to allow a group home with 10 residents on the property they own at 27 E. Rockwood Dr. The group home has been in operation since August 2014, however current zoning regulations require a conditional use permit for group homes housing more than 8 residents in low density residential districts.

The City of Ottawa's Planning Commission reviewed the conditional use permit request and held a public hearing. Attached is a copy of the findings. Scott Schultz was present at the meeting requesting approval and there were no other public comments during the hearing.

The recommendation of staff is to approve the conditional use permit with the following conditions:

1. Compliance with all applicable State, County and local requirements.
2. All applicable state licenses to operate a group home are obtained.

The Planning Commission recommends to the City Commission by a vote of 6-0 approval of the conditional use permit.

Attachments: Ordinance
Staff Findings
Location Map

ORDINANCE NO. _____

AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW A GROUP HOME WITH 10 RESIDENTS ON THE PROPERTY LOCATED AT 27 E. ROCKWOOD DR., IN AN R-1 LOW DENSITY DWELLING DISTRICT REQUESTED BY COMFORT CARE HOMES, IN THE CITY OF OTTAWA, KANSAS.

BE IT ORDAINED, By the Governing Body of the City of Ottawa, Kansas:

Section 1. Written findings have been made by the Planning Commission for the City of Ottawa that the application from Comfort Care Homes, dated December 7, 2015, for a conditional use permit is in compliance with Ordinance No. 3501-05, Article 6, Residential Zoned Districts (R-1; R-3), Table 6-1.

Section 2. A conditional use permit is hereby granted to allow the a group home with 10 residents on the property located at 27 E. Rockwood Dr., in an R-1 Low Density Dwelling District with the following conditions:

1. Compliance with all applicable State, County and local requirements.
2. All applicable state licenses to operate a group home are obtained.

Lots 11 and 12, Rockwood Acres Addition, in the City of Ottawa, Franklin County, Kansas.

Section 3. A certified copy of this ordinance signed by the City Clerk for the City of Ottawa, Kansas, shall be recorded in the Office of the Register of Deeds, Franklin County, Kansas.

Section 4. EFFECTIVE DATE; PUBLICATION. This Ordinance shall take effect and be in full force from and after its publication in the official city newspaper.

Section 5. PASSED AND ADOPTED by the Governing Body of the City of Ottawa, Kansas, this _____ day of _____, 2016.

Mayor

ATTEST:

City Clerk

STAFF & PLANNING COMMISSION REPORT

TO: City Commission

FROM: Staff & Planning Commission

MEETING DATE: January 13, 2016

SUBJECT: Hold a public hearing to consider a conditional use permit application to allow a small group care home with 10 residents, in the R-1, Low Density Residential District, located at 27 E. Rockwood Drive.

Comfort Care Homes is seeking approval of a conditional use permit to allow up to 10 residents to occupy the structure at 27 E. Rockwood Drive. The subject property is located on a tract zoned R-1, Low Density Residential. The surrounding area is residential.

The current zoning regulations require a conditional use permit for group homes located in low, medium, and high density residential districts when there are 10 or more residents including staff. The home has been occupied with 8 residents since August 2014. The residence currently has two bedrooms with single occupancy but can be shared rooms. The Kansas Department of Aging and Disability Services licensed this home for 10 residents. In addition, no additional staffing is required and additional Ottawa residents have requested to reside there.

Findings

The Planning Commission may recommend approval of a conditional use that is expressly authorized to be permitted in a particular zoning district, and the Governing Body may approve such conditional use, using the following factors as guidelines:

1. Whether approval of the conditional use would be consistent with the intent and purpose of these regulations;

The intent of the R-1 District is to provide primarily for one-family dwellings with accommodation for two- and three-family dwellings and related residential uses such as churches and certain public uses which tend to be located at the edge of higher density, and more centrally located residential areas. The district is intended to accommodate a low population density for specified types of dwelling units on large to medium sized lots with emphasis on adequate open space around the buildings.

STAFF & PLANNING COMMISSION FINDINGS:

As the use is permitted with only eight residents, the conditional use requesting two additional residents is consistent with the intent and purposes of the Zoning Regulations.

2. Whether the location of the proposed use is compatible to other land uses in the surrounding neighborhood;

Compatibility use is the primary question for a use such as this. The area surrounding the subject property is a single-family neighborhood.

STAFF & PLANNING COMMISSION FINDINGS:

The structure has been used as a group home since August 2014 with eight residing residents. Moreover the structure is adequate and the lot is large providing plenty of distance separating from other uses.

3. **Whether the proposed use places an undue burden on the existing transportation, utility and service facilities in the area affected and, if so, whether such additional facilities can be provided;**

Although the proposed use may consume more utilities than a single-family home, overall it creates little burden on public services and is consistent with a large family.

STAFF & PLANNING COMMISSION FINDINGS:

As the structure is currently being used by eight residents, the addition of two extra residents will have no effect on public services.

4. **Whether the proposed use is made necessary or desirable because of changed or changing conditions in the area affected;**

This is not a proposal related to changes in the area, but meets the needs of the community.

STAFF & PLANNING COMMISSION FINDINGS:

Not a factor for the area affected, though it is necessary to the community overall.

5. **The length of time the subject property has remained vacant or undeveloped as zoned;**

The parcel was developed with a single-family residence in 1957.

STAFF & PLANNING COMMISSION FINDINGS:

This is not a factor impacting this proposal.

6. **Whether the applicant's property is suitable for the proposed conditional use;**

The property has adequate size for the proposed use.

STAFF & PLANNING COMMISSION FINDINGS:

The site is suitable for the proposed conditional use.

7. **Whether the proposed conditional use would be in conformance to and further enhance the implementation of the City's Comprehensive Plan;**

The future land use map of the Comprehensive Plan identifies this area as residential use.

STAFF & PLANNING COMMISSION FINDINGS:

The site is conforming to the future land use plan and narrative sections.

8. **Whether the proposed conditional use, if it complies with all the conditions upon which the approval is made contingent, will not adversely affect the property in the area affected;**

The area is already zoned R-1 Low Density Residential District.

STAFF & PLANNING COMMISSION FINDINGS:

The use already exists with eight residents.

9. **Such other factors as the Planning Commission may deem relevant from the facts and evidence presented in the application.**

10. **The recommendations of professional staff;**

Staff recommends **approval** with the **following** conditions:

1. **Compliance with all applicable State, County and local requirements.**
2. **All applicable state licenses to operate a group home are obtained.**

Location & Aerial Map

Address: 27 E. Rockwood Dr.

Owner / Applicant: Comfort Care Homes / Scott & Linda Schultz

Current Use: Single-Family Residence

Current Zoning: R-1, Low Density Residential District

Proposed Use: Group Home



STAFF MEMORANDUM

TO: Richard U. Nienstedt City Manager

FROM: Wynndee S. Lee, AICP, Community Development Director &
Michael Haeffele, Public Works Director

DATE: January 20, 2016

SUBJECT: **An Ordinance** to amend Chapter 18, Article II, dealing with vacation of public rights-of-way, etc.

Staff received another request to vacate street right-of-way. While staff was reviewing procedures for vacating of street right-of-way, it was discovered that the change made to the Municipal Code in 2011 did not get carried over in the recent codification of the Municipal Code.

Since vacating of rights-of-way falls under the City's Subdivision Regulations, we propose deleting the process in Chapter 18, Article II of the Municipal code and amending it to refer all inquires on vacation of rights-of-way, easements, dedicated building setback lines, alleys, and subdivisions to Article 12 of the Subdivision Regulations.

Staff is recommending approval of the amendment to Chapter 18, Article II of the Municipal Code.

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 18, ARTICLE II, VACATION OF PUBLIC RIGHTS-OF-WAY, ETC., IN THE MUNICIPAL CODE OF THE CITY OF OTTAWA, KANSAS, 2015.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OTTAWA, KANSAS:

Section 1. AMENDMENTS TO CHAPTER 18, ARTICLE II, of the Municipal Code of the City of Ottawa, Kansas, 2015, relating to vacation of public rights-of-way is hereby repealed and replaced with the following:

**ARTICLE II
VACATION OF PUBLIC RIGHTS-OF-WAY, ETC.**

Sec. 18-201 Requirements.

For regulations dealing with the vacation of public rights-of-way, easements, dedicated building setback lines, alleys, subdivisions, see Article 12 of the Subdivision Regulations for the City of Ottawa.

Section 2. Those sections of Chapter 18, Article II of the Municipal Code of the City of Ottawa, Kansas, is hereby repealed.

Section 3. EFFECTIVE DATE; PUBLICATION. This Ordinance shall be in full force and effect from after its publication in the official city newspaper.

PASSED AND ADOPTED by the governing body of the City of Ottawa, Kansas, this _____ day of _____, 2015.

Attest:

Mayor

City Clerk

ORDINANCE NO. _____

AN ORDINANCE GRANTING KANSAS CITY POWER & LIGHT COMPANY, ITS GRANTEEES, SUCCESSORS AND ASSIGNS, THE RIGHT AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN ALL WORKS AND PLANTS NECESSARY OR PROPER FOR SUPPLYING CONSUMERS WITH ELECTRIC OR OTHER ENERGY, GRANTING TO SAID COMPANY THE RIGHT TO USE THE STREETS, ALLEYS AND ALL OTHER PUBLIC PLACES, PROVIDING FOR COMPENSATION FROM SUCH COMPANY FOR SAID RIGHT AND FRANCHISE, PRESCRIBING THE TERMS OF AND RELATING TO SUCH FRANCHISE AND REPEALING INCONSISTENT ORDINANCES OR PARTS THEREOF.

WHEREAS, Kansas City Power & Light Company (herein called the Company) is a corporation duly organized and existing under and by virtue of the laws of the State of Missouri, and admitted to do business under the laws of the State of Kansas as a foreign corporation for the purpose of generating and distributing electric energy; and

WHEREAS, the Company is operating a system for the production, transmission and distribution of electric current in the State of Kansas and has heretofore built, or proposes to build, its electric facilities within and through the City of Ottawa, Kansas (herein called the City); and

WHEREAS, the parties hereto desire that the Company furnish energy to consumers in said City located in the areas of the City in which the Company shall hold a Certificate of Convenience and Authority from the State Corporation Commission of the State of Kansas;

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

SECTION I.

- (a) In consideration of the benefits to be derived by the City and the inhabitants thereof from the construction, operation and maintenance of an electric light and power system and the supplying of electric energy to the public, there is hereby granted to the Company and to its successors and assigns, for the term of ten (10) years from the effective date hereof (subject to termination as provided for in Section VII, below) a non-exclusive franchise and authority to construct, operate and maintain within the existing and any future extended corporate limits of the City for which the Company now or shall hereafter hold a Certificate of Convenience and Authority from the State Corporation Commission of the State of Kansas all appropriate facilities and plants for the purpose of supplying electric energy to that specific area of the City to be called the Franchise Area and for the purpose of transmitting power through the City via transmission lines and related facilities. The Franchise Area shall consist of the following properties and customers thereon, a listing of the legal descriptions of the properties comprising the Franchise Area is attached hereto as Exhibit A and incorporated by reference:

- a. 2220 E. Logan Street
- b. 2518 E. Logan Street
- c. 2202 E. Wilson Street
- d. 2573 Highway 59
- e. 2571 Highway 59
- f. 2597 Highway 59

and all other operations connected therewith or incident thereto for the purpose of supplying within the Franchise Area electric or other energy in such forms as may be reasonably required for domestic, commercial, industrial, municipal and other purposes and to produce and supply such energy by manufacture, generation, purchase or otherwise, and to transmit and distribute same by means of underground or overhead facilities or otherwise, and for any or all of said purposes it is authorized to (i) construct, install, replace and remove conduits, poles, lamp posts, guys, anchors, wires, cables, street lights and all other related facilities in, on, under, along, across and over all streets, alleys, avenues, bridges, parks, parking and other existing and any future alleys, avenues, bridges, parks, parking and other existing and any future public places or thoroughfares, (ii) construct, erect, maintain and remove all structures, machinery and attachments of any and every kind for any and all said purposes, (iii) enter upon any and all of said public places within the corporate limits of the City as they now exist or may hereafter be opened, widened, extended, laid out and established, including any other territory hereafter added thereto or coming under the City's jurisdiction, and (iv) to trim trees upon and overhanging such places and make such excavations thereon as may be appropriate for the construction, operation, maintenance, repair, renewal and removal of the Company's overhead and underground facilities and plants.

- (b) The Company shall not use, or allow any other person or entity to use, its facilities or the City's right-of-way for any purpose other than the provision of electric power; provided, however, that nothing contained herein is intended to limit or restrict facilities already in place or indirectly related to the provision of electric power, such as Company communications equipment. The Company shall not permit a subsidiary, affiliate, or a third party to acquire rights to occupy the rights-of-way under this franchise, except that the Company may allow the use of its facilities when the City receives prior written notification of such use, and such use is compensated to the City under the provisions of a franchise granted by the city to any such third party.

SECTION II. Any pavements, sidewalks or curbing taken up or any and all excavations made shall be done under the supervision and directions of the governing body of said City under all necessary permits issued for the work, and shall be made and done in such manner as to give the least reasonable inconvenience to the inhabitants of the City and the public generally, and pavements, sidewalks, curbing and excavations shall be replaced and repaired in as good condition as before with all convenient speed, by and at the expense of the Company.

SECTION III. The Company shall at all times during the term of this franchise supply to consumers of electric energy, residing in those portions of the Franchise Area duly certificated to the Company by the State Corporation Commission of the State of Kansas, such electric energy as they may require, and shall extend and construct its lines and services in accordance with legal requirements, and rules and regulations as filed from time to time with the State Corporation Commission of the State of Kansas. However, nothing contained herein shall be construed as a guarantee upon the part of the Company to furnish uninterrupted service, and interruptions due to Acts of God, fire, strikes, civil or military authority, orders of the court and other causes reasonably beyond the control of the Company are specifically exempted from the terms of this Section. The City shall provide the Company a map of the City's corporate limits (the "Map"). The Map shall be of sufficient detail to assist Company in determining whether their customers reside within the City's corporate limits. The Map shall serve as a basis for determining Company's obligation hereunder to collect and pay the franchise fee from customers; provided, however, that if the City's corporate limits are changed by annexation or otherwise, it shall be the City's responsibility to (a) update the Map so that such changes are included therein, and (b) provide the updated Map to the Company. Company's obligation to collect and pay the fee from customers within an annexed area shall not commence until such time after Company's receipt from the City of actual notice of the annexation along with an updated Map including such annexed area as is reasonably necessary for such Company to identify the customers in the annexed area obligated to pay the fee. During the term of this franchise, the City shall notify the Company in the event of service territory boundary modifications that affect both the Company and the City's Certificates of Convenience and Authority on file with the Kansas Corporation Commission. The City shall also provide a detailed legal description (metes and bounds) depicting the boundary modifications.

SECTION IV. All poles and wires shall be erected in accordance with the rules and regulations of the State Corporation Commission of the State of Kansas as set out in Docket No. 1944 and any amendments thereto. All poles carrying said wires shall be placed in such manner as to interfere with and obstruct as little as reasonably possible, the ordinary use of the streets, alleys, lanes and highways of said City, and shall not unreasonably interfere with any gas main, water main or sewer now laid out or constructed in or under said streets, alleys, lanes or highways of said City. The Company shall comply with all building, electrical, and zoning codes currently or hereafter in force in the City.

SECTION V. The Company shall, at all times, in the construction, maintenance, and operation of its electric transmission, distribution and street lighting system, use all reasonable and proper precaution to avoid damage or injury to persons or property, and shall hold and save harmless said City from any and all claims, damage, injury and expense caused by the negligence, in whole or in part, of the Company, its successors and assigns.

SECTION VI. As a further consideration for the rights, privileges and franchise hereby granted, and in lieu of all rental, license or occupation taxes for the use of the ways and alleys and streets involved herein, the Company agrees to pay to the City, and the City agrees to accept as adequate compensation and consideration for the Franchise hereby granted five percent (5%) of the total gross receipts charged and collected solely from the sale of electric energy used

within the Franchise Area for domestic, commercial and industrial consumption. Any consideration made hereunder shall be reported and paid to the City by the Company on a semiannual basis on each March 31 and September 30 for the years in which this Franchise remains in effect, reflecting such electric energy sold to customers for the six months' period ending at the last meter reading preceding each February 28 and August 31, respectively. Such payments shall be rendered in cash to the City. During the term of this Franchise Ordinance, the City shall provide a listing of customers that are exempt from franchise fees under the provisions outlined in this Ordinance. The City shall also be responsible for providing notification of any changes to the list of exempt customers.

SECTION VII. The City of Ottawa has the right to terminate this Franchise as of the fifth or succeeding anniversary dates hereof by providing written notice of such termination to the Company at least one hundred twenty (120) days in advance of such anniversary date.

SECTION VIII. The term "gross receipts," when used in this ordinance shall mean the aggregate amount of all sales and charges from the business of supplying electricity by Company, or any affiliated company, in said municipality during any period less discounts, late payment charges, credits, refunds, sales taxes, uncollectible accounts and payments made pursuant to this agreement.

SECTION IX. All provisions of this Ordinance shall be binding upon the Company and successors and assigns from and after the date of written acceptance hereof by the Company, and shall inure to the benefit of the Company, its grantees and its successors and assigns.

SECTION X. All ordinances and parts of ordinances in conflict herewith are hereby repealed as of the effective date of this Ordinance.

SECTION XI. This Ordinance is made under and in conformity with the laws of the State of Kansas, and shall take effect and be in force as of the first day of the first month after written acceptance by the Company.

PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

Mayor

ATTEST:

City Clerk

Exhibit A

Franchise Area Legal Descriptions

2220 E. Logan: beginning at a point 115 feet South and 60 feet East of the N.W. corner of the N.E. $\frac{1}{4}$ of sec. 31, TWP. 16 RNG. 20, thence East 335 feet; thence South 600 feet; thence West 335 feet; thence North 600 feet at the place of beginning, Franklin County, Kansas.

2518 E. Logan: Lot 9, Wildcat Two Addition, and addition in the Northeast $\frac{1}{4}$ Section 31, Township 16 South, Range 20 East, Franklin County, Kansas, according to the recorded plat thereof. Commonly known as 2518 East Logan, Ottawa, Kansas.

2202 E. Wilson: Tract 1: The West 348 feet of North 576.2 feet of the West half of the Northwest Quarter of Section 30, Township of 16 South, Range 20 East of the 6th P.M., Franklin County, Kansas.

Tract 2: The West half of the Northwest Quarter of the Southeast Quarter of Section 30, Township 16 South, Range 20 East of the 6th P.M., except the North 576.2 feet thereof, Franklin County, Kansas.

2573 US-59 Hwy: The South 40 acres of the N. $\frac{1}{2}$ of the S.W. $\frac{1}{4}$ of Sec. 13, Twp, 17 S., Rng. 19 E., except the West 526 feet thereof, and containing after deducting the exception noted 32 acres, more or less, Franklin County, Kansas.

2571 US-59 Hwy: The North 125.00 feet of the West 526 feet of the South 500.00 feet of the North Half (N/2) of the Southwest Quarter (SW/4) of Section 13, Township 17 South, Range 19 East of the Sixth Principal Meridian, Franklin County, Kansas, less existing highway right-of-way, being more particularly described as follows:

Commencing at the Southwest corner of the North Half (N/2) of said Southwest Quarter (SW/4), thence North along the West line of said quarter section on an assumed bearing of North 00 degrees 00 minutes 00 second East, a distance of 375.00 feet, thence North 89 degrees 49 minutes 31 seconds East parallel to the South line of said North Half (N/2), a distance of 110.40 feet to a point on the East right of way line of U.S. 59 Highway, said point also being the true point of beginning of land to be described, thence continuing North 89 degrees 49 minutes 31 seconds East along said line a distance of 415.60 feet, thence North 00 degrees 00 minutes 00 seconds East on a line parallel to the West line of said quarter section a distance of 126.00 feet, thence South 89 degrees 49 minutes 31 seconds West on a line parallel to the South line of the North Half(N/2) of said Southwest Quarter (SW/4) a distance of 413.59 feet to a point on the East line of said U.S.59 Highway right-of-way, thence South 44 degrees 56 minutes 45 seconds West along said East right of way line a distance of 3.01 feet, thence continuing along said east right of way line on a bearing of South 00 degrees 03 minutes 15 seconds East, a distance of 122.88 feet to the point of beginning, containing 1.193 acres, more or less all in Franklin County, Kansas.

2597 US-59 Hwy: A tract of land in the North Half of the North half of the Southwest Quarter of Section 13, Township 17 South, Range 19 East of the 6th P.M., described as follows: Commencing at the Northwest corner of said Quarter Section; thence on an assumed bearing of North 87 degrees 47 minutes 35 seconds East, 139.66 feet along the North line of said Quarter Section to the POINT OF BEGINNING; FIRST COURSE, thence South 01 degree 51 minutes 13 seconds East, 545.60 feet; SECOND COURSE, thence South 88 degrees 08 minutes 50 seconds West, 15.00 feet; THIRD COURSE, thence South 01 degree 51 minutes 10 seconds East, 30.00 feet; FOURTH COURSE, thence North 88 degrees 08 minutes 36 seconds East, 15.00 feet; FIFTH COURSE, thence South 01 degree 51 minutes 12 seconds East, 88.00 feet to the south line of the North Half of the North half of said Quarter Section; SIXTH COURSE, thence North 88 degrees 08 minutes 48 seconds East, 65.00 feet along said South line to the Easterly right of way line of the existing highway; SEVENTH COURSE, thence North 51 minutes 14 seconds West, 664.00 feet along said right of way line to the North line of said Quarter Section; EIGHTH COURSE, , thence South 87 degrees 47 minutes 35 seconds West, 65.00 feet along said North line to the POINT OF BEGINNING. The above described tract contains 1.00 acres, more or less.

CITY OF OTTAWA

December Monthly Reports

Presented to the City Commission
January 25, 2016



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Trial Balance
 CITY OF OTTAWA
 YTD TREASURERS REPORT
 AS OF: DECEMBER 31ST, 2015

| FUND | BEGINNING CASH BALANCE | Y-T-D REVENUES | Y-T-D EXPENSES | CASH BASIS BALANCE | NET CHANGE OTHER ASSETS | NET CHANGE LIABILITIES | ACCRUAL ENDING CASH BALANCE |
|-------------------------------|---------------------------|----------------------|----------------------|-----------------------|----------------------------|---------------------------|--------------------------------|
| 001-General Fund | 1,744,360.82 | 9,575,857.00 | 9,583,698.20 | 1,736,519.62 | 691.37 (| 31,052.79) | 1,704,775.46 |
| 005-Gen Obl Debt Service Fund | 488,899.68 | 2,471,471.61 | 2,541,579.03 | 418,792.26 | 0.00 | 0.00 | 418,792.26 |
| 011-Community Service Support | 5,434.89 | 152,580.00 | 155,560.71 | 2,454.18 | 0.00 | 10.00 | 2,464.18 |
| 013-Auditorium Fund | 70,144.41 | 169,742.65 | 169,095.01 | 70,792.05 | 300.00 (| 4,866.48) | 65,625.57 |
| 014-Airport Fund | 11,849.01 | 98,762.76 | 86,528.21 | 24,083.56 | (20.00) (| 1,924.50) | 22,179.06 |
| 016-Special Park & Rec Fund | 35,922.69 | 68,042.65 | 27,409.14 | 76,556.20 | 0.00 | 0.00 | 76,556.20 |
| 017-Special Drug and Alcohol | 23,073.16 | 26,608.48 | 0.00 | 49,681.64 | 0.00 | 0.00 | 49,681.64 |
| 018-Library Fund | 0.00 | 825,851.22 | 818,858.00 | 6,993.22 | 0.00 | 0.00 | 6,993.22 |
| 025-Economic Development Fund | 104,525.86 | 18,655.71 | 111,982.93 | 11,198.64 | 0.00 (| 1,106.60) | 10,092.04 |
| 028-Special Streets Fund | 462,457.58 | 522,528.13 | 288,263.79 | 696,721.92 | 0.00 (| 774.00) | 695,947.92 |
| 029-Stormwater Utility | 368,439.09 | 464,653.81 | 262,309.49 | 570,783.41 | 0.00 (| 1,824.35) | 568,959.06 |
| 030-Water Utility | 936,490.96 | 2,453,132.00 | 2,424,818.46 | 964,804.50 | (2,603.93) (| 9,343.59) | 958,064.84 |
| 036-Waste Water Utility | 836,432.33 | 2,513,663.51 | 2,870,980.53 | 479,115.31 | (8.50) | 109,233.20 | 588,357.01 |
| 037-Electric Utility | 4,911,089.06 | 14,816,228.71 | 14,689,670.51 | 5,037,647.26 | 1,902.43 (| 546,041.36) | 4,489,703.47 |
| 041-Electric Power Supply Fnd | 684,641.79 | 411,269.76 | 461,731.26 | 634,180.29 | 0.00 | 0.00 | 634,180.29 |
| 045-Electric Sys Construction | 817,385.97 | 406.20 | 0.00 | 817,792.17 | (38,637.80) | 0.00 | 856,429.97 |
| 046-Electric CIP Fund | 300,000.00 | 0.00 | 0.00 | 300,000.00 | 0.00 | 0.00 | 300,000.00 |
| 051-Utility Credits | 136,447.23 | 2,169.62 | 1,183.84 | 137,433.01 | 0.00 | 14,337.04 | 151,770.05 |
| 053-Equipment Reserve | 585,764.73 | 471,806.28 | 488,170.23 | 569,400.78 | 0.00 | 0.00 | 569,400.78 |
| 054-LAW ENFORCEMENT TRUST | 11,712.41 | 380.00 | 525.00 | 11,567.41 | 0.00 | 0.00 | 11,567.41 |
| 055-Revolving Loan Fund | 210,703.94 | 2,452.53 | 0.00 | 213,156.47 | 0.00 | 0.00 | 213,156.47 |
| 056-Risk Management | 153,075.75 | 916,432.28 | 982,740.71 | 86,767.32 | 0.00 (| 12,599.86) | 74,167.46 |
| 058-Neighborhd Stabiliztn Grt | 1,097.00 | 142,212.05 | 160,222.81 | (16,913.76) | 0.00 | 20,267.92 | 3,354.16 |
| 059-Trails Grant | 0.00 | 4,921.80 | 4,921.80 | 0.00 | 0.00 | 0.00 | 0.00 |
| 062-US 59 Turnback | 2,825.00 | 14,958.50 | 0.00 | 17,783.50 | 0.00 | 0.00 | 17,783.50 |
| 063-Airport Hangars 2009/2010 | 183.94 | 74.16 | 0.00 | 258.10 | 0.00 | 0.00 | 258.10 |
| 064-K68 & MAIN ST | 0.00 | 21,450.00 | 21,450.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 066-AIRPORT AWOS | 0.00 | 4,700.00 | 4,700.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 070-Sidewalk Grant 15th St | 2,421.00 | 9,038.40 | 9,038.40 | 2,421.00 | 0.00 (| 2,421.00) | 0.00 |
| 076-Loves Granger TIF | 152,091.75 | 163,467.29 | 94,779.24 | 220,779.80 | 0.00 | 0.00 | 220,779.80 |
| 077-South Hwy 59 TDD | 51,953.27 | 123,987.75 | 95,000.00 | 80,941.02 | 0.00 | 0.00 | 80,941.02 |
| 078-WWTP Funding | 692,189.40 | 785,374.08 | 800,923.05 | 676,640.43 | 0.00 | 0.00 | 676,640.43 |
| 082-East Side Interceptor | 79,362.49 | 10.44 | 2,471.82 | 76,901.11 | 0.00 (| 15,000.00) | 61,901.11 |
| 086-Streets Construction | 188,113.31 | 0.00 | 1,130.50 | 186,982.81 | 0.00 (| 89,172.04) | 97,810.77 |
| 087-Water Construction Fund | 13,250.12 | 5,301.91 | 7,579.03 | 10,973.00 | 0.00 (| 10,973.00) | 0.00 |
| 090-Levee Improvement | 3,633.82 | 159,976.41 | 159,976.41 | 3,633.82 | 0.00 (| 3,633.82) | 0.00 |
| 091-TIF Program Fund | 314,577.47 | 9,232.31 | 0.00 | 323,809.78 | 0.00 | 0.00 | 323,809.78 |
| 092-Advantage Ford TIF Projct | 403.75 | 0.00 | 0.00 | 403.75 | 0.00 | 0.00 | 403.75 |
| 093-SUPERMARKET PROJECT | 0.00 | 16,441.55 | 16,441.55 | 0.00 | 0.00 | 0.00 | 0.00 |
| 095-Airport Improvements | 10,065.60 | 1.43 | 0.00 | 10,067.03 | 0.00 | 0.00 | 10,067.03 |
| 096-Airport T-Hanger | 203,984.16 | 907,924.19 | 1,101,417.88 | 10,490.47 | 0.00 (| 10,490.47) | 0.00 |
| 099-Industrial Park | 782,498.10 | 490,988.41 | 259,950.71 | 1,013,535.80 | 0.00 | 0.00 | 1,013,535.80 |
| GRAND TOTAL | 15,397,501.54 | 38,842,755.59 | 38,705,108.25 | 15,535,148.88 | (38,376.43) | (597,375.70) | 14,976,149.61 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

*** END OF REPORT ***

ANALYSIS OF COMBINED SALES AND COMPENSATING USE TAX

December-15

| COUNTY (1.0%) | 2011 | 2012 | 2013 | 2014 | 2015 | 12 Mo Running Total | | Change Dollars | Change Percent |
|-------------------------|------------------|------------------|------------------|------------------|------------------|---------------------|-------------|-------------------|-------------------|
| | | | | | | 2014 | 2015 | | |
| January | 80,430 | 92,276 | 93,621 | 90,915 | 99,626 | 1,132,915 | 1,197,867 | \$ 8,710.88 | 9.58% |
| February | 95,342 | 88,325 | 96,068 | 104,501 | 117,666 | 1,141,348 | 1,211,033 | \$ 13,165.50 | 12.60% |
| March | 88,872 | 88,566 | 94,235 | 95,180 | 89,795 | 1,142,294 | 1,205,648 | \$ (5,384.88) | -5.66% |
| April | 69,281 | 87,092 | 83,104 | 90,992 | 99,242 | 1,150,182 | 1,213,897 | \$ 8,249.17 | 9.07% |
| May | 89,714 | 96,267 | 95,966 | 101,605 | 111,668 | 1,155,822 | 1,223,960 | \$ 10,063.04 | 9.90% |
| June | 102,444 | 89,141 | 95,257 | 100,701 | 101,717 | 1,161,266 | 1,224,976 | \$ 1,015.98 | 1.01% |
| July | 86,902 | 85,637 | 108,053 | 101,330 | 98,721 | 1,154,543 | 1,222,367 | \$ (2,609.63) | -2.58% |
| August | 89,754 | 93,734 | 96,875 | 99,329 | 104,245 | 1,156,998 | 1,227,282 | \$ 4,915.40 | 4.95% |
| September | 89,932 | 85,675 | 94,191 | 97,320 | 100,554 | 1,160,127 | 1,230,515 | \$ 3,233.41 | 3.32% |
| October | 94,804 | 91,359 | 98,107 | 104,316 | 95,308 | 1,166,336 | 1,221,507 | \$ (9,008.11) | -8.64% |
| November | 93,010 | 97,087 | 83,340 | 105,844 | 99,780 | 1,188,840 | 1,215,443 | \$ (6,064.16) | -5.73% |
| December | 99,175 | 91,424 | 96,805 | 97,122 | 102,116 | 1,189,156 | 1,220,437 | \$ 4,994.03 | 5.14% |
| SAME MO. YTD | 1,079,659 | 1,086,583 | 1,135,620 | 1,189,156 | 1,220,437 | | | \$ 31,280.63 | 2.63% |
| ANNUAL TOTAL | 1,079,659 | 1,086,583 | 1,135,620 | 1,189,156 | 1,220,437 | | | | |
| CITY (1.1%) | 2011 | 2012 | 2013 | 2014 | 2015 | 2014 | 2015 | | |
| January | 179,538 | 203,964 | 195,321 | 201,594 | 216,451 | 2,465,421 | 2,626,783 | \$ 14,857.96 | 7.37% |
| February | 209,172 | 179,606 | 206,821 | 233,316 | 264,504 | 2,491,916 | 2,657,971 | \$ 31,187.81 | 13.37% |
| March | 196,175 | 190,917 | 199,168 | 201,539 | 197,296 | 2,494,287 | 2,653,728 | \$ (4,242.74) | -2.11% |
| April | 147,293 | 197,369 | 186,766 | 198,680 | 225,185 | 2,506,201 | 2,680,233 | \$ 26,505.25 | 13.34% |
| May | 198,268 | 212,086 | 210,835 | 231,212 | 256,081 | 2,526,578 | 2,705,103 | \$ 24,869.35 | 10.76% |
| June | 235,300 | 196,629 | 212,680 | 214,012 | 227,445 | 2,527,910 | 2,718,536 | \$ 13,433.07 | 6.28% |
| July | 187,599 | 196,553 | 240,050 | 225,531 | 219,710 | 2,513,390 | 2,712,715 | \$ (5,820.65) | -2.58% |
| August | 183,443 | 207,473 | 208,249 | 223,117 | 228,074 | 2,528,258 | 2,717,672 | \$ 4,956.87 | 2.22% |
| September | 195,331 | 183,753 | 202,765 | 203,251 | 227,370 | 2,528,744 | 2,741,791 | \$ 24,119.01 | 11.87% |
| October | 203,309 | 201,037 | 214,822 | 227,666 | 221,151 | 2,541,589 | 2,735,276 | \$ (6,515.00) | -2.86% |
| November | 204,378 | 206,969 | 173,970 | 239,249 | 229,831 | 2,606,868 | 2,725,858 | \$ (9,418.11) | -3.94% |
| December | 223,063 | 195,390 | 207,702 | 212,759 | 238,607 | 2,611,925 | 2,751,706 | \$ 25,848.15 | 12.15% |
| SAME MO. YTD | 2,362,868 | 2,371,746 | 2,459,148 | 2,611,925 | 2,751,706 | | | \$ 139,780.97 | 5.35% |
| ANNUAL TOTAL | 2,362,868 | 2,371,746 | 2,459,148 | 2,611,925 | 2,751,706 | | | | |
| CITY/CO. TO DATE | 3,442,528 | 3,458,329 | 3,594,768 | 3,801,081 | 3,972,143 | | | \$ 171,061.60 | 4.50% |
| TOTAL | 3,442,528 | 3,458,329 | 3,594,768 | 3,801,081 | 3,972,143 | 3,795,228 | | \$ 379,280.00 | 4.66% |

013-Auditorium Fund
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 100.00

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | TOTAL ENCUMBERED | BUDGET BALANCE | % YTD BUDGET |
|--|-------------------|-------------------|------------------------|---------------------|-------------------|-----------------|
| <u>REVENUE SUMMARY</u> | | | | | | |
| <u>Auditorium Fund</u> | | | | | | |
| TAXES | 138,399 | 2,624.73 | 143,388.14 | 0.00 (| 4,989.14) | 103.60 |
| LEASE & RENTAL INCOME | 12,000 | 2,716.30 | 16,552.50 | 0.00 (| 4,552.50) | 137.94 |
| CHARGES FOR SERVICES | 17,579 | 530.71 | 5,394.36 | 0.00 | 12,184.64 | 30.69 |
| INVESTMENT INCOME | 30 | 0.00 | 57.65 | 0.00 (| 27.65) | 192.17 |
| OTHER REVENUE | 2,700 | 2,100.00 | 4,350.00 | 0.00 (| 1,650.00) | 161.11 |
| MISCELLANEOUS | 25 | 0.00 | 0.00 | 0.00 | 25.00 | 0.00 |
| TOTAL Auditorium Fund | <u>170,733</u> | <u>7,971.74</u> | <u>169,742.65</u> | <u>0.00</u> | <u>990.35</u> | <u>99.42</u> |
| TOTAL REVENUE | <u>170,733</u> | <u>7,971.74</u> | <u>169,742.65</u> | <u>0.00</u> | <u>990.35</u> | <u>99.42</u> |
| <u>EXPENSE SUMMARY</u> | | | | | | |
| <u>Auditorium Fund</u> | | | | | | |
| PERSONNEL SERVICES | 92,888 | 6,440.32 | 89,366.56 | 0.00 | 3,521.44 | 96.21 |
| CONTRACTUAL SERVICES | 62,960 | 14,065.57 | 48,838.02 | 0.00 | 14,121.98 | 77.57 |
| COMMODITIES | 4,700 | 324.66 | 5,744.08 | 0.00 (| 1,044.08) | 122.21 |
| CAPITAL EXPENSES | 31,500 | 8,155.97 | 23,146.35 | 0.00 | 8,353.65 | 73.48 |
| CAPITAL IMPROVEMENTS | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DEBT SERVICE | 33,677 | 0.00 | 0.00 | 0.00 | 33,677.00 | 0.00 |
| TOTAL Auditorium Fund | <u>225,725</u> | <u>28,986.52</u> | <u>167,095.01</u> | <u>0.00</u> | <u>58,629.99</u> | <u>74.03</u> |
| TOTAL EXPENSES | <u>225,725</u> | <u>28,986.52</u> | <u>167,095.01</u> | <u>0.00</u> | <u>58,629.99</u> | <u>74.03</u> |
| REVENUE OVER/(UNDER) EXPENSES | (54,992) | (21,014.78) | 2,647.64 | 0.00 (| 57,639.64) | 4.81- |
| OTHER SOURCES | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OTHER USES | 8,000 | 0.00 | 2,000.00 | 0.00 | 6,000.00 | 25.00 |
| NET OTHER SOURCES & USES | (8,000) | 0.00 | (2,000.00) | 0.00 (| 6,000.00) | 25.00 |
| REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES | (62,992) | (21,014.78) | 647.64 | 0.00 (| 63,639.64) | 1.03- |

Planning & Codes Department December 2015 Monthly Report

Planning Commission:

The Planning Commission had two requests for vacation of rights-of-way; however the applicants pulled their requests.

Play Task Force:

New members are being sought particularly interested in helping fundraise for the teen park.

Projects:

East 15th Street Sidewalk Project: No update for December.

Neighborhood Stabilization Program:

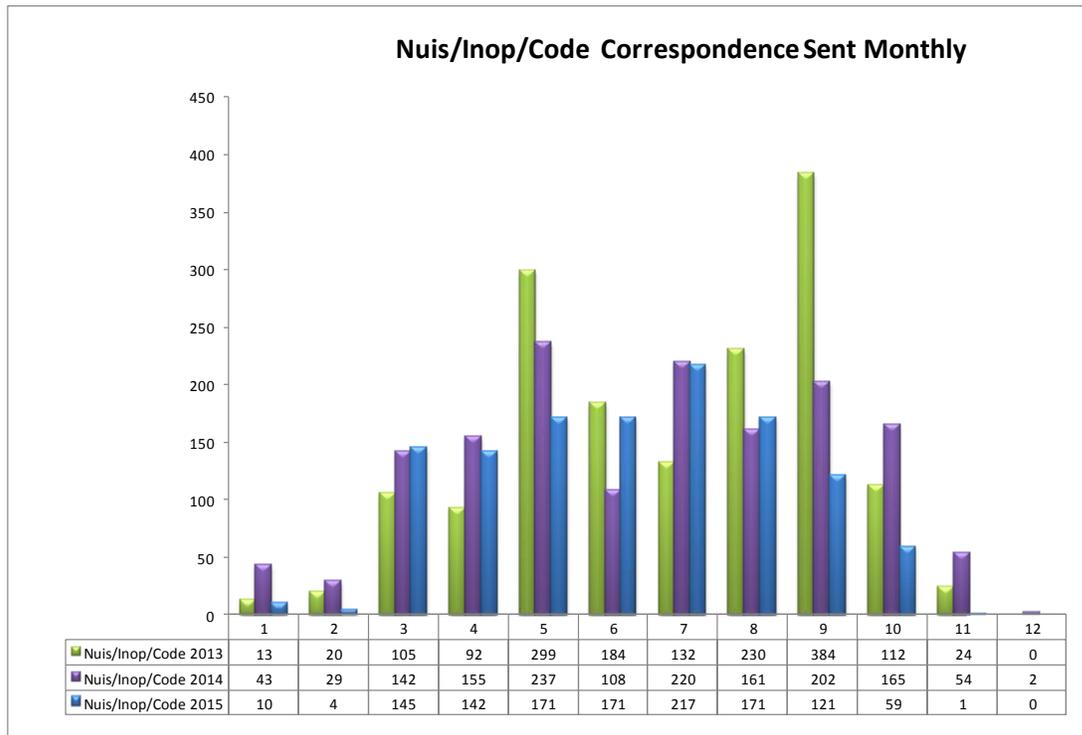
Construction of the new single-family structure at 727 N. Main is progressing well.

Condemnations:

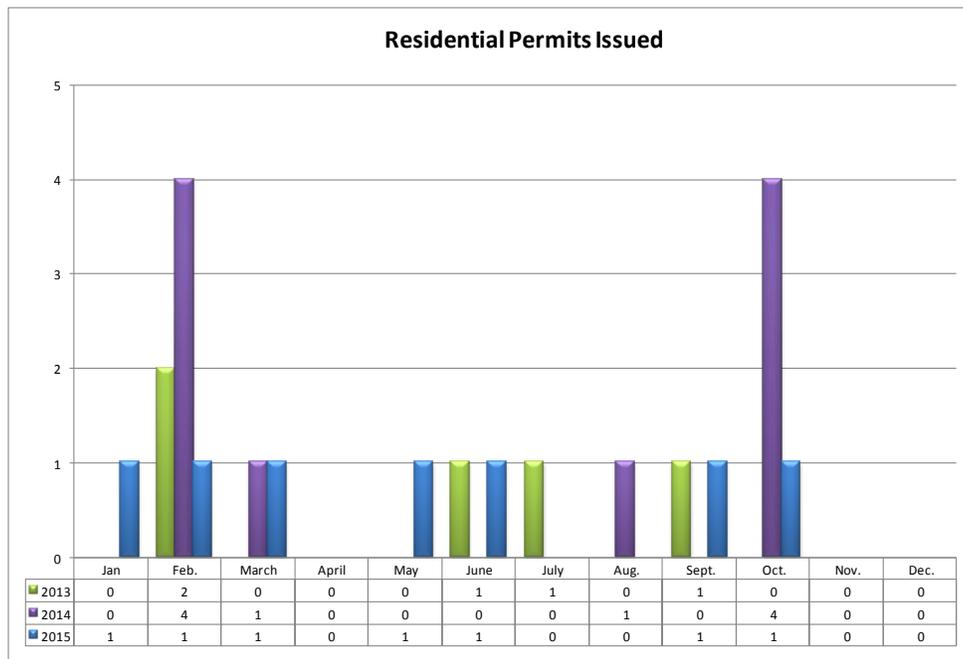
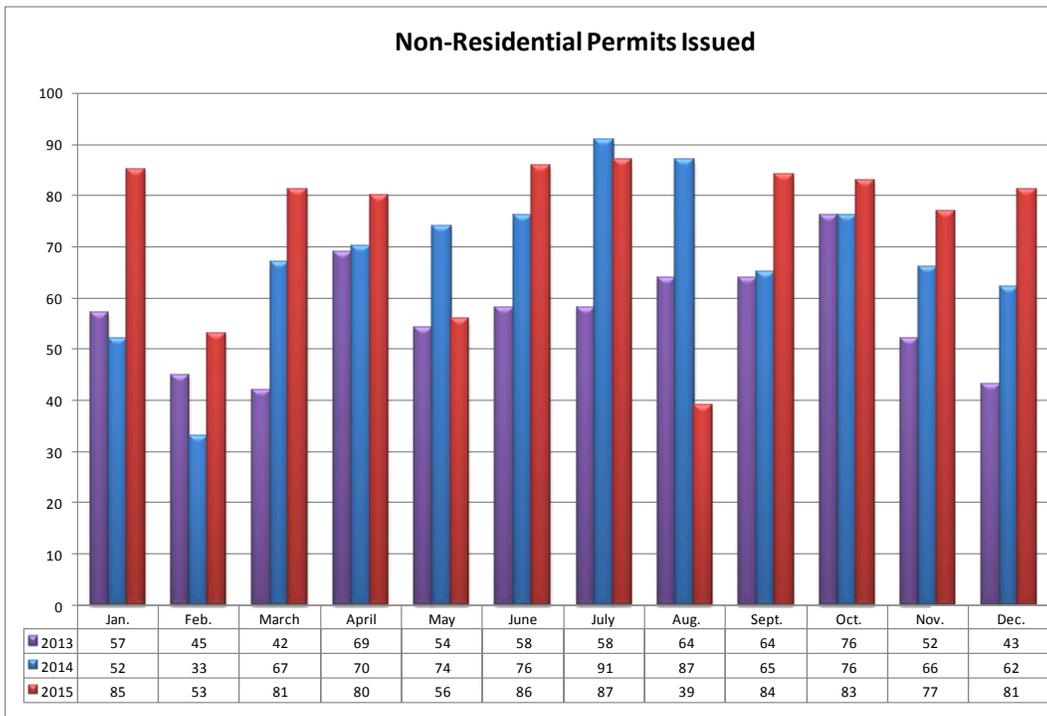
412 W. 1st a contract has been signed to remove the structure.

Code Enforcement:

The code enforcement officer came in for cases that are in court.

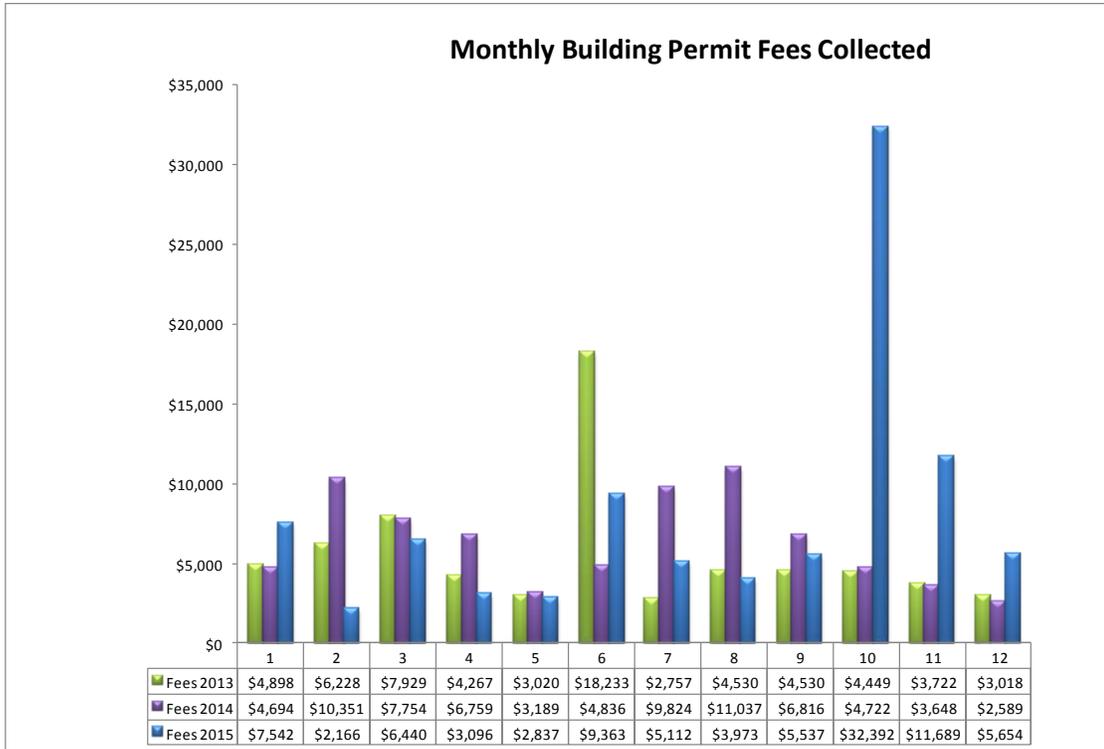


Permits:



The above chart includes single-family, multi-family, and manufactured home permits issued for the year.

Fees:



The chart above does not include planning fees.

Revenues for 2015:

Permit fees to date: \$ 95,803.32
 Planning fees to date: \$ 2,505.00
 Total received to date: \$ 98,308.32



Jeff H. Carner
Fire Chief

OTTAWA FIRE DEPARTMENT OTTAWA, KANSAS

Monthly Report December, 2015

Calls for Service: The department responded to 147 calls for service and experienced an estimate \$41,500 in fire loss for the month. We had two structure fires located at: 811 W 5th St, and 429 S Main Street.

Inspections: A total of 68 business and residential inspections were completed.

Training: Shift personnel conducted 220 hours of training with most of these hours dedicated to building construction.

Public Education: During the month we provided four public education programs.

Respectfully submitted,

Jeff H. Carner

720 West Second Street
Ottawa, Kansas 66067
Phone 785-229-3700 / Fax 785-229-3705

OTTAWA

Incident Type Report (Summary)

Alarm Date Between {12/01/2015} And
{12/31/2015}

| Incident Type | Count | Pct of Incidents | Total Est Loss | Pct of Losses |
|--|------------|------------------|-----------------|----------------|
| 1 Fire | | | | |
| 111 Building fire | 2 | 1.36% | \$40,500 | 97.59% |
| 150 Outside rubbish fire, Other | 1 | 0.68% | \$0 | 0.00% |
| 162 Outside equipment fire | 1 | 0.68% | \$1,000 | 2.40% |
| | 4 | 2.72% | \$41,500 | 100.00% |
| 3 Rescue & Emergency Medical Service Incident | | | | |
| 300 Rescue, EMS incident, other | 3 | 2.04% | \$0 | 0.00% |
| 311 Medical assist, assist EMS crew | 96 | 65.31% | \$0 | 0.00% |
| 321 EMS call, excluding vehicle accident with injury | 8 | 5.44% | \$0 | 0.00% |
| 322 Motor vehicle accident with injuries | 1 | 0.68% | \$0 | 0.00% |
| 324 Motor Vehicle Accident with no injuries | 2 | 1.36% | \$0 | 0.00% |
| | 110 | 74.83% | \$0 | 0.00% |
| 4 Hazardous Condition (No Fire) | | | | |
| 412 Gas leak (natural gas or LPG) | 1 | 0.68% | \$0 | 0.00% |
| 441 Heat from short circuit (wiring), defective/worn | 1 | 0.68% | \$0 | 0.00% |
| 460 Accident, potential accident, Other | 1 | 0.68% | \$0 | 0.00% |
| | 3 | 2.04% | \$0 | 0.00% |
| 5 Service Call | | | | |
| 500 Service Call, other | 1 | 0.68% | \$0 | 0.00% |
| 553 Public service | 1 | 0.68% | \$0 | 0.00% |
| | 2 | 1.36% | \$0 | 0.00% |
| 6 Good Intent Call | | | | |
| 600 Good intent call, Other | 1 | 0.68% | \$0 | 0.00% |
| 611 Dispatched & cancelled en route | 3 | 2.04% | \$0 | 0.00% |
| 6111 Fire Alarm - Dispatched & cancelled en route | 1 | 0.68% | \$0 | 0.00% |
| 6112 Medical Call - Dispatched & cancelled en route | 3 | 2.04% | \$0 | 0.00% |
| 6113 Vehicle Accident - Dispatched & cancelled en route | 1 | 0.68% | \$0 | 0.00% |
| 622 No Incident found on arrival at dispatch address | 1 | 0.68% | \$0 | 0.00% |
| 631 Authorized controlled burning | 2 | 1.36% | \$0 | 0.00% |
| 651 Smoke scare, odor of smoke | 1 | 0.68% | \$0 | 0.00% |
| 652 Steam, vapor, fog or dust thought to be smoke | 1 | 0.68% | \$0 | 0.00% |
| 661 EMS call, party transported by non-fire agency | 5 | 3.40% | \$0 | 0.00% |

OTTAWA

Incident Type Report (Summary)

Alarm Date Between {12/01/2015} And
{12/31/2015}

| Incident Type | Count | Pct of Incidents | Total Est Loss | Pct of Losses |
|--|-----------|------------------|----------------|---------------|
| 6 Good Intent Call | <u>19</u> | <u>12.93%</u> | <u>\$0</u> | <u>0.00%</u> |
| 7 False Alarm & False Call | | | | |
| 733 Smoke detector activation due to malfunction | 3 | 2.04% | \$0 | 0.00% |
| 735 Alarm system sounded due to malfunction | 1 | 0.68% | \$0 | 0.00% |
| 743 Smoke detector activation, no fire - unintentional | 2 | 1.36% | \$0 | 0.00% |
| 745 Alarm system activation, no fire - unintentional | 2 | 1.36% | \$0 | 0.00% |
| 746 Carbon monoxide detector activation, no CO | <u>1</u> | <u>0.68%</u> | <u>\$0</u> | <u>0.00%</u> |
| | 9 | 6.12% | \$0 | 0.00% |

Total Incident Count: 147

Total Est Loss:

\$41,500



City of Ottawa Human Resources Department Monthly Report -December 2015

The following highlights Human Resource Department activities that occurred during December 2015.

- Michelle Stegman, Human Resources Director and City Staff prepared a Flood Insurance recommendation memo and presentation for the January 11, 2016 City Commission Study Session Meeting. Our broker from Truss, Linda Minson will be present for questions.
- City HR Staff finalized the 2016 open enrollment with the assistance of the Finance Department and our brokers, Truss Advantage.
- City Staff continued the rollout of the enhanced wellness program which has incorporated Fitbit trackers. City Staff conducted Fitbit training sessions for employees.
- Beginning January 2016, the City of Ottawa has partnered with Nancy Shuster, K-State Research and Extension Frontier District to offer healthy cooking classes at Ottawa Municipal Auditorium for City employees.

City of Ottawa

101 S. Hickory
Ottawa, KS 66067

785.229.3600

www.ottawaks.gov

Recruitment

Promotions

Scott Snethen, Water Plant Mechanical Building Coordinator

New Hires

12/14/15 – Bruce Birzer, Laborer Maintenance Worker - Streets

12/21/15 - Paul Nation, Water Plant Operator I

Departures

None

Risk Management/Safety/Loss Control:

Training

Rick Aguilar, CUSP, PHR with Kansas Municipal Utilities conducted Effective Documentation (professional development) Injury Prevention Review: Slips, Trips/Falls, Sprains/Strains for City Employees on December 1, 2016.

Safety Committee Meeting

The Safety Committee meeting was held December 2, 2015. Staff discussed the following: Safety Recognition Program subcommittee recommendation and the 2016 training recommendations and goals/objectives.

Workers' Compensation Injuries/Illnesses

1. 12/17/15 – A Parks employee suffered a sprain to their shoulder while moving logs for splitting.
2. 12/18/15 - A Parks employee sustained an injury to their finger while stacking wood for the wood splitter process.
3. 12/23/15 – Due to strong wind, A Finance employee's finger got caught in the door of a City vehicle while on business.



City of Ottawa

101 S. Hickory
Ottawa, KS 66067

785.229.3600

www.ottawaks.gov

Tort Claims

6/16/15 – Haley Park, 201 S. Main – Patron of the park sustains an injury to their leg while taking a photo. Claim filed with EMC. Adjuster has determined that the City is not responsible for the injuries and was not negligent but has offered to pay for the medical bills through med pay. \$5000 exists for medical coverage. **Open**

7/22/15 – Patron of the Ottawa Library fell down stairs and sustains ankle sprain. Claim filed with EMC. The adjuster has assigned an independent appraiser to inspect the insured location and is waiting on a response from the claimant. EMC declined liability and found no negligence on behalf of the City. Received medical authorization form and is awaiting bills. \$5,000 exists for medical coverage. **Open**

Commercial Automobile

n/a

Inland Marine

n/a

Accidents on City Property

5/30/15 – While attending the Pam Tebow event, a patron tripped down the steps of the lower balcony and sustained injuries to her face. Under the City's General Liability Policy, \$5,000 exists for medical coverage. While this does not constitute negligence, the medical payments coverage was offered to a limit of \$5,000.00 to help pay for out of pocket expenses. Adjuster is still waiting for medical bills from Medicare. The adjuster sent a letter to Medicare along with consent to release form and is awaiting a Conditional Payment Letter so EMC can reimburse Medicare. EMC is holding the claim open for a short period of time in the event she elects to pursue a bodily injury claim against the City. **Open**

Public Official Liability and Employment Practices Liability

6/26/15 - Garrison v. City of Ottawa Planning and Codes Department – Petition for Writ and Mandamus and Prohibition – 1223 S. Main structural repair. This has been turned over to insurance and it is in litigation. \$3,000 deductible. **Open**

Ottawa Information Technology (IT) Department

Date: January 11, 2016

To: Richard Nienstedt, City Manager and City Commission

From: Chuck Bigham, IT Director

Subject: December IT Monthly Report

IT Trouble Tickets & Other-

42 new calls for Service logged, 2 still open(*examples- can't send mail, locked up, error conditions, won't power-on, Smart Phone not syncing, possible virus, can't find folder, print problems, won't boot, battery backup beeping etc.*)

Government Access Channel (GAC)

New Programs- City and County Commission, Road to Recovery, Christmas Parade, Downtown lighting ceremony, America's Army and White House Chronicle.

of different programs played- 15 (*examples- City and County meetings, Coffee, Special Call Meeting, Road To Recovery*)

Web Site

7 News articles posted. Upcoming events on new community calendar and Facebook continually updated, Crime of the Week and found property list updated. City job announcements added.

Videos posted include, 2 City Commission Meetings, 1 Christmas Parade.

FaceBook-

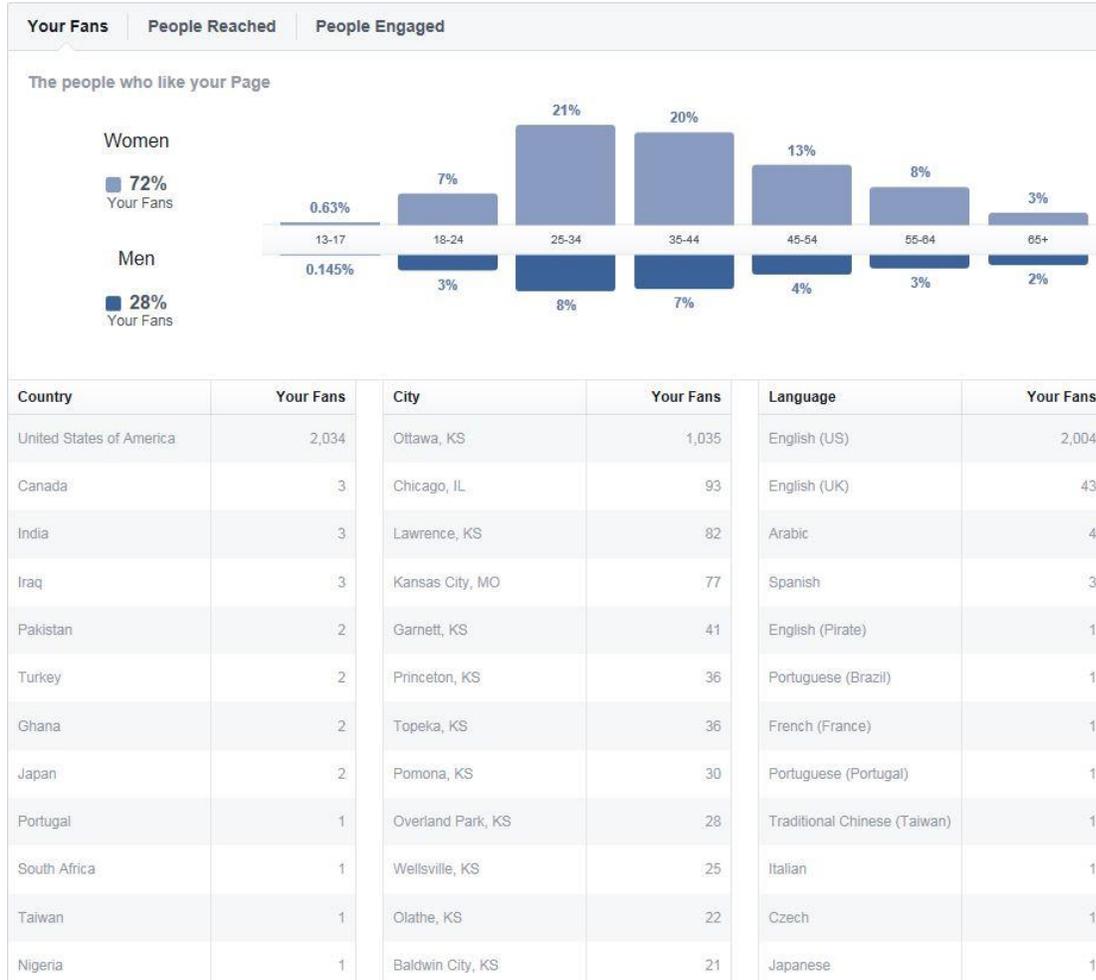
Updates Provided- Videos Posted (same as website). News Articles Linked. Promotion of upcoming events. Crime of the week added for Crime Stoppers. Updated Found Property List added. Photos and videos taken at Christmas Parade. Live streaming events on U-stream include Christmas Parade and Downtown Lighting.

Total Likes: 2,048 See attached graphs

Other Activities-

Twitter account maintained currently at **460 followers**. Instagram followers are at **41**. Promotion of city wide events. Posted all media releases to public on Facebook, channel, website, Twitter, Instagram, Flickr & Tumblr. All job postings added to media outlets. City account added to Hootsuite in order to schedule media postings on social media.

Facebook December 2015
Demographics and Location of people who like the City of Ottawa Facebook page.
Total Likes for December were: 2,048



Daily data is recorded in the Pacific time zone.

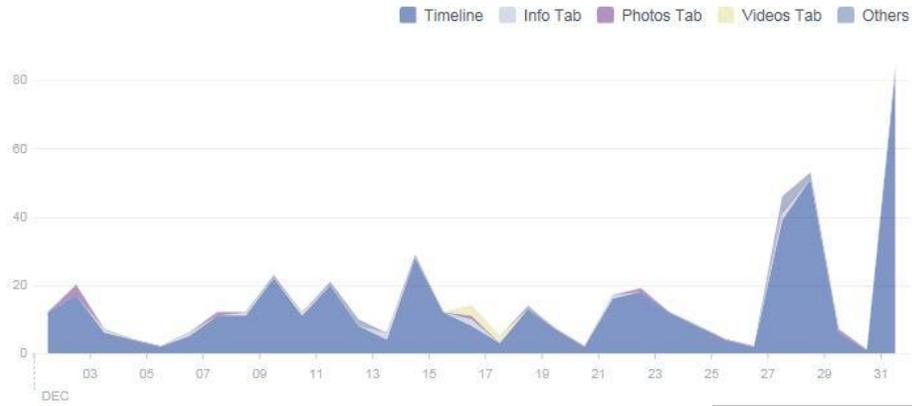
1W 1M 1Q



Start: 12/1/2015
End: 12/31/2015

Page and Tab Visits

The number of times each of your Page tabs was viewed.



BENCHMARK
Compare your average performance over time.

Timeline

Info Tab

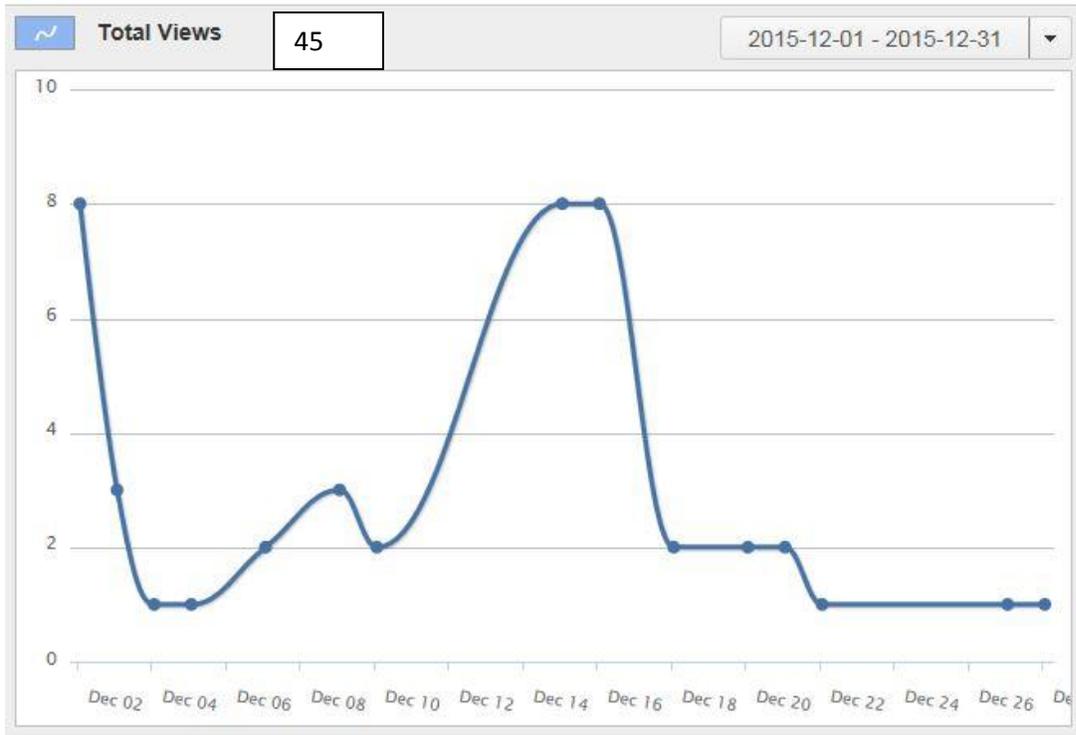
Photos Tab

Videos Tab

Others

Page views are the number of times any given site page is looked at (visited) by all users. On the other hand, unique visitors numbers report how many different visitors visited your site pages. For example, if your aunt checks out your Website 13 times in one day, she will only show as one unique visitor but she would contribute 13 page views to your reports.

Ustream December 2015



[Export this period in CSV](#) **Day**

| Datetime | Views |
|----------|-------|
| Dec 02 | 8 |
| Dec 03 | 3 |
| Dec 04 | 1 |
| Dec 05 | 1 |
| Dec 07 | 2 |
| Dec 09 | 3 |
| Dec 10 | 2 |
| Dec 15 | 8 |

| | |
|--------|---|
| Dec 16 | 8 |
| Dec 18 | 2 |
| Dec 20 | 2 |
| Dec 21 | 2 |
| Dec 22 | 1 |
| Dec 27 | 1 |
| Dec 28 | 1 |

*Police Department
City of Ottawa, Kansas*

MEMORANDUM

DATE: JANAURY 5, 2016
TO: RICHARD U. NIENSTEDT, CITY MANAGER
FROM: DENNIS P. BUTLER, CHIEF OF POLICE
SUBJECT: DECEMBER 2015 MONTHLY REPORT

The purpose of this memorandum is to report activities involving various police department personnel during December 2015. Employees and volunteers participated in or attended the following activities:

- Volunteers in Police Service (VIPS) provided 143 hours of service
- Monthly supervisors' meeting, Johnson County Chief's Meeting, various Chamber events, Rotary, and other various meetings
- Paola Alarcon and Joe Carrier continue their training at KLETC and are expected to graduate on January 15, 2016. Tylor Wyatt and Chris Forsberg continue their basic training and Sarah Frazee continues field training
- Captain Weingartner is back to work after completing the FBI National Academy Executive Leadership Program
- Continued participation on KBI Work Group regarding untested Sexual Assault Kits
- Attended Timekeeping software program demos
- Completed two audits of the evidence room
- Represented the KACP in a roundtable meeting with DCF and foster home contractors
- Addressed Franklin County Leadership regarding Crisis Intervention Team (CIT) activities
- Met with Prairie Paws Director regarding future collaboration on training and partnerships
- Wellness Committee meetings; and
- Participated in annual Christmas Day Parade.

I am happy to answer any questions.
Thank you.

**ADULT AND JUVENILE
CRIMINAL ARRESTS
PART ONE ARRESTS**

| | Dec 2015 | | Dec 2014 | |
|-----------------------------------|----------|----------|-----------|----------|
| | ADULT | JUVENILE | ADULT | JUVENILE |
| Arson | 0 | 0 | 0 | 0 |
| Assault: Aggravated (Agg Battery) | 0 | 1 | 3 | 0 |
| Burglary | 3 | 0 | 2 | 0 |
| Murder | 0 | 0 | 0 | 0 |
| Rape | 0 | 0 | 0 | 0 |
| Robbery | 0 | 0 | 0 | 0 |
| Theft | 5 | 0 | 7 | 4 |
| Theft: Auto | 1 | 0 | 0 | 0 |
| Total Part One Arrests | 9 | 1 | 12 | 4 |

OTHER ARRESTS

| | | | | |
|--------------------------------|-----------|-----------|-----------|----------|
| Assault | 0 | 0 | 0 | 0 |
| Assault: LEO | 0 | 0 | 1 | 0 |
| Battery | 2 | 2 | 2 | 0 |
| Battery: Domestic | 2 | 0 | 9 | 0 |
| Battery: LEO | 0 | 0 | 0 | 0 |
| Criminal Damage Property | 4 | 2 | 2 | 0 |
| Criminal Threats | 0 | 0 | 1 | 1 |
| Disorderly Conduct | 6 | 4 | 1 | 1 |
| Driving Under Influence | 9 | 0 | 9 | 0 |
| Drug Offense Arrests | 9 | 0 | 7 | 0 |
| Forgery | 0 | 0 | 0 | 0 |
| Homicide | 0 | 0 | 0 | 0 |
| Juvenile Offense Arrests | 0 | 3 | 0 | 1 |
| Kidnapping | 0 | 0 | 0 | 0 |
| Kidnapping: Aggravated | 0 | 0 | 0 | 0 |
| Liquor Related Offense Arrests | 3 | 0 | 2 | 0 |
| Phone Harassment | 1 | 0 | 0 | 0 |
| Sexual Offense Arrests | 1 | 0 | 0 | 0 |
| Suicide | 0 | 0 | 0 | 0 |
| Vehicle Related Arrests | 32 | 0 | 20 | 0 |
| All Other Arrests | 30 | 0 | 39 | 2 |
| Total Part Two Arrests | 99 | 11 | 93 | 5 |

TOTAL ARRESTS

120

114

**REPORTED CRIMES
PART ONE OFFENSES**

| | Dec 2015 | | Dec 2014 | |
|------------------------------------|-----------|-----------|-----------|-----------|
| | REPORTED | INACTIVE | REPORTED | INACTIVE |
| Arson | 0 | 0 | 1 | 0 |
| Assault: Aggravated (Agg. Battery) | 1 | 1 | 3 | 3 |
| Burglary | 6 | 5 | 14 | 6 |
| Murder | 0 | 0 | 0 | 0 |
| Rape | 1 | 1 | 1 | 1 |
| Robbery | 0 | 0 | 0 | 0 |
| Theft | 23 | 18 | 35 | 17 |
| Theft: Auto | 1 | 1 | 3 | 1 |
| Total Part One Crimes | 32 | 26 | 57 | 28 |

OTHER CRIMES

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Assault | 1 | 0 | 0 | 0 |
| Assault: LEO | 0 | 0 | 1 | 1 |
| Battery | 7 | 6 | 3 | 3 |
| Battery: Domestic | 5 | 4 | 11 | 10 |
| Battery: LEO | 0 | 0 | 0 | 0 |
| Criminal Damage Property | 13 | 11 | 7 | 5 |
| Criminal Threats | 4 | 2 | 1 | 1 |
| Disorderly Conduct | 10 | 10 | 1 | 1 |
| Driving Under Influence | 9 | 9 | 9 | 9 |
| Drug Offenses | 9 | 9 | 9 | 9 |
| Forgery | 3 | 1 | 1 | 0 |
| Homicide | 0 | 0 | 0 | 0 |
| Juvenile Offenses | 3 | 0 | 6 | 6 |
| Kidnapping | 0 | 0 | 0 | 0 |
| Kidnapping: Aggravated | 0 | 0 | 0 | 0 |
| Liquor Related Offenses | 3 | 3 | 2 | 2 |
| Phone harassment | 1 | 1 | 0 | 0 |
| Sex Offenses | 2 | 2 | 2 | 1 |
| Suicide | 0 | 0 | 0 | 0 |
| Vehicle Related Offenses | 32 | 32 | 26 | 25 |
| All Other Offenses | 30 | 21 | 56 | 52 |
| Total Part Two Crimes | 132 | 111 | 135 | 125 |

OTHER ACTIVITIES

| | | |
|-------------------|------|------|
| Calls for Service | 1062 | 1062 |
| Traffic Accidents | 24 | 24 |
| Warrants Served | 19 | 20 |

TOTAL INCIDENTS / CALLS FOR SERVICE

1269

1298

| ANIMAL CONTROL DECEMBER 2015 | | | |
|-----------------------------------|--------|--------|------------|
| ACTIVITY | Dec-15 | Dec-14 | Yr to Date |
| Domestic animals taken to shelter | 3 | 9 | 183 |
| Dead animals (wild) collected | 3 | 4 | 60 |
| Dead animals (domestic) collected | 2 | 5 | 20 |
| Wild animals trapped | 0 | 4 | 156 |
| Trap usage (days) | 0 | 14 | 476 |
| Dog ordinance violation citation | 4 | 0 | 29 |
| Cruelty to animal violation | 0 | 0 | 2 |
| Calls for service (non-trap) | 9 | 26 | 430 |

COURT FEES DECEMBER 2015

| | Violation | Misc. | [\$75.00] | [20.00] | [250.00] | [\$.50] | Totals | Total | | |
|------------------------|--------------|-------------|-------------|-------------|-------------|----------|--------------|--------------|---|--------------------|
| MUNICIPAL COURT | | | | | | | | | | |
| Jan-14 | \$19,456.93 | \$1,039.57 | \$6,293.26 | \$1,589.41 | \$92.59 | \$51.74 | \$9,066.57 | \$28,523.50 | CASES FILED | DEC |
| Jan-15 | \$21,807.94 | \$940.06 | \$6,143.71 | \$1,535.93 | \$1,449.07 | \$51.29 | \$10,120.06 | \$31,928.00 | Crimes against persons | 7 |
| Feb-14 | \$23,469.50 | \$565.10 | \$7,310.20 | \$1,655.92 | \$199.08 | \$57.30 | \$9,787.60 | \$33,257.10 | Crimes against property | 8 |
| Feb-15 | \$21,187.88 | \$724.00 | \$6,339.07 | \$1,828.25 | \$865.75 | \$55.05 | \$9,812.12 | \$31,000.00 | Driving Under The Influence | 7 |
| Mar-14 | \$33,998.98 | \$1,853.02 | \$9,025.59 | \$2,363.08 | \$1,800.92 | \$75.41 | \$15,118.02 | \$47,117.00 | Fleeing a Police Officer | 0 |
| Mar-15 | \$29,610.27 | \$1,122.58 | \$9,411.81 | \$2,691.48 | \$1,643.52 | \$80.84 | \$14,950.23 | \$44,560.50 | Other Crimes | 15 |
| Apr-14 | \$24,063.00 | \$756.80 | \$8,223.90 | \$2,044.26 | \$115.74 | \$66.10 | \$11,206.80 | \$35,269.80 | Reckless Driving | 0 |
| Apr-15 | \$22,621.77 | \$848.00 | \$5,651.38 | \$1,446.97 | \$662.03 | \$47.85 | \$8,656.23 | \$31,278.00 | Traffic Violations | 59 |
| May-14 | \$21,546.00 | \$896.00 | \$7,769.04 | \$2,185.00 | \$250.00 | \$66.09 | \$11,166.13 | \$32,712.13 | Tobacco Infrancctions | 0 |
| May-15 | \$23,495.00 | \$577.00 | \$7,703.94 | \$1,968.89 | \$361.11 | \$66.06 | \$10,677.00 | \$34,172.00 | TOTAL CASES FILED | 96 |
| Jun-14 | \$19,915.00 | \$1,404.15 | \$5,974.50 | \$1,460.00 | \$0.00 | \$50.50 | \$8,889.15 | \$28,804.15 | Court Revenues (fines & court costs) | \$23,944.49 |
| Jun-15 | \$19,630.44 | \$698.50 | \$6,078.38 | \$1,524.62 | \$995.38 | \$51.62 | \$9,348.50 | \$28,978.94 | Dismissals | 35 |
| Jul-14 | \$20,661.00 | \$640.63 | \$6,564.24 | \$1,438.00 | \$250.00 | \$52.76 | \$8,945.63 | \$29,606.63 | Diversion agreements | 6 |
| Jul-15 | \$24,067.00 | \$587.00 | \$5,933.85 | \$1,568.15 | \$1,351.85 | \$50.15 | \$9,491.00 | \$33,558.00 | Guilty pleas | 73 |
| Aug-14 | \$16,550.00 | \$1,997.60 | \$4,012.17 | \$899.00 | \$500.00 | \$33.83 | \$7,442.60 | \$23,992.60 | Trials (on pleas of not guilty) | 3 |
| Aug-15 | \$17,195.67 | \$2,526.85 | \$5,050.27 | \$1,349.99 | \$1,125.01 | \$43.15 | \$10,095.27 | \$27,290.94 | TOTAL CASES CLOSED | 117 |
| Sep-14 | \$19,561.58 | \$605.00 | \$6,551.38 | \$1,761.33 | \$291.67 | \$55.62 | \$9,265.00 | \$28,826.58 | | |
| Sep-15 | \$19,150.41 | \$1,127.92 | \$6,180.38 | \$1,606.42 | \$842.58 | \$51.62 | \$9,808.92 | \$28,959.33 | | |
| Oct-14 | \$20,922.50 | \$629.10 | \$6,244.02 | \$1,651.59 | \$1,257.41 | \$52.48 | \$9,834.60 | \$30,757.10 | | |
| Oct-15 | \$34,123.85 | \$397.00 | \$10,566.82 | \$3,049.38 | \$1,962.95 | \$90.85 | \$16,067.00 | \$50,190.85 | | |
| Nov-14 | \$16,107.50 | \$904.00 | \$4,615.89 | 1,140.00 | \$600.00 | \$39.11 | \$7,299.00 | \$23,406.50 | | |
| Nov-15 | \$20,949.50 | \$483.90 | \$6,881.66 | \$1,961.47 | \$268.53 | \$58.34 | \$9,653.90 | \$30,603.40 | | |
| Dec-14 | \$17,595.00 | \$974.00 | \$5,434.10 | 1,505.30 | \$128.70 | \$47.90 | \$8,090.00 | \$25,685.00 | | |
| Dec-15 | \$18,495.00 | \$477.00 | \$5,449.49 | \$1,208.88 | \$861.12 | \$44.51 | \$8,041.00 | \$26,536.00 | | |
| Dec-14 YTD | \$253,846.99 | \$12,264.97 | \$78,018.29 | \$19,692.89 | \$5,486.11 | \$648.75 | \$119,111.10 | \$452,572.69 | | |
| Dec-15 YTD | \$272,334.73 | \$10,509.81 | \$81,390.76 | \$21,740.70 | \$12,388.90 | \$691.33 | \$126,811.21 | \$487,222.51 | | |

~~Violation Fines-- Fine paid for violating the law.
 ~~Court Costs-- Costs deposited general fund of city (salaries, computers, overhead, etc.).
 ~~State Fees -Municipal court assessments listed and authorized by K.S.A. 12-4117
 ~~Misc.-- Restitution paid to victims, Witness fees, overpayments and reinstatement fees.
 ~~CCSFF--Community Corrections Supervision Fee Fund-\$250 from each D.U.I. as of 7/1/12

Police Department
City of Ottawa, Kansas
MEMORANDUM

DATE: January 05, 2016
TO: RICHARD U. NIENSTEDT, CITY MANAGER
FROM: DENNIS P. BUTLER, CHIEF OF POLICE
SUBJECT: December 2015 ENFORCEMENT STATISTICS

282 CHARGES WERE ISSUED THROUGH THE MUNICIPAL COURT. SOME OF THESE ARE MULTIPLE CHARGES ON SINGLE TICKETS.

The breakdown is as follows:

| | | | |
|---|----|---|----|
| 013 DISOBEY TRAFFIC SIGNAL | 2 | 192 NO OPERATOR LICENSE | 3 |
| 023 LEAVING SCENE INJURY ACCIDENT | 2 | 194 SUSPENDED OPERATORS LICENSE | 9 |
| 025 DUTY TO GIVE AID | 1 | 195 DRIVE IN VIOLATION OF RESTRICTIONS | 1 |
| 026 DUTY UPON STRIKING UNATT VEH | 1 | 198 ILLEGAL TAG | 8 |
| 027 DUTY TO REPORT ACCIDENT | 2 | 199 UNLAWFUL USE OF LICENSE | 1 |
| 030 DUI | 7 | 200 KNOWINGLY OPER W/O INSURANCE | 24 |
| 033 SPEEDING | 15 | 3.1 BATTERY | 2 |
| 041 IMPROPER PASSING ON RIGHT | 1 | 6.1 THEFT/THEFT OF SERVICES | 8 |
| 046 IMPROPER DRIVING LANED ROAD | 1 | 6.6 CRIMINAL DAMAGE TO PROPERTY | 1 |
| 049 IMPROPER TURN OR APPROACH | 1 | 6.7 CRIMINAL TRESPASS | 3 |
| 054 UNSAFE TURNING/STOPPING ETC | 8 | 7.2 INTERFERENCE WITH LAW ENFORCEMENT | 3 |
| 057 FAIL TO YIELD RIGHT OF WAY | 3 | 7.4 INTERFERENCE WITH JUDICIAL PROCESS | 1 |
| 058 FAIL TO YIELD VEH TURNING LEFT | 1 | 9.1 DISORDERLY CONDUCT | 5 |
| 059 FAIL TO YIELD STOP/YIELD SIGN | 8 | 30.2 REFUSAL PRELIMINARY BREATH TEST | 1 |
| 074 PEDESTRIAN UNDER INFLUENCE | 2 | 182.1 SEATBELT | 5 |
| 085 PARKING/STANDING/STOPPING | 1 | 3-213 KEEPING VICIOUS ANIMAL | 1 |
| 096 PARKING IN NO PARKING ZONE | 5 | 3-302 DOG VACCINATION REQUIREMENTS | 3 |
| 097 2 HOUR LIMITED PARKING | 9 | 3-303 DOG CITY REGISTRATION FEES | 5 |
| 104 INATTENTIVE DRIVING | 3 | 3-309 DOG RUNNING AT LARGE | 5 |
| 106 TRANSPORT OPEN CONTAINER (KSA 8-1599) | 4 | 12-311 PARKING - TWO HOUR LIMIT | 97 |
| 115 UNLAWFUL RIDING | 1 | 16-302 UNLAWFUL USE OF DRUG PARAPHERNALIA | 4 |
| 117 LIMITATIONS ON BACKING | 2 | 16-303 UNLAWFUL USE OF DRUG PARAPHERNALIA | 2 |
| 146 DEFECTIVE HEADLAMPS | 1 | 16-307 POSSESSION OF PROHIBITED SUBSTANCE-MARIJ | 4 |
| 147 DEFECTIVE TAIL LAMP | 3 | 16-401 CURFEW | 1 |
| 177 OBSTRUCTED WINDOWS / DEFECTIVE WIPERS | 1 | | |

** Report Total: 282 **

29 Charges were filed through County Attorney's office:

| | | | |
|---------------------|-------------------------|---------------------|---------------------------------|
| 4 Domestic Battery | 0 Agg Assault / Battery | 1 Battery | |
| 2 Burglary | 1 Criminal Damage | 2 D.U.I. | |
| 3 Theft | 0 Traffic | 0 Endangering Child | |
| 0 Liquor Violations | 0 Prescription Drugs | 13 Misc. Charges | 3 Possession Drugs/Paraphenalia |

Arrests - By Violation

12\01\2015
 thru 12\31\2015
 Agency is: OTTAWA PD

| Violation | # of Offenses |
|---|---------------|
| ANIMALS: KEEPING VICIOUS ANIMALS | 1 |
| ASSAULT,AGG | 1 |
| BATTERY | 2 |
| BATTERY,AGAINST SCHOOL EMPLOYEE | 1 |
| BATTERY,DOMESTIC, KNOWING RUDE PHYSICAL CONTACT W/FAMILY MEMBER | 2 |
| BATTERY;PHYSICAL CONTACT IN RUDE/INSULTING MANNER | 2 |
| BURGLARY AGG | 2 |
| BURGLARY; DWELLING TO COMMIT FELONY,THEFT OR SEXUALLY MOTIVATED CRIME | 2 |
| BURGLARY;NON-DWELLING TO COMMIT FELONY/THEFT/SEXUALLY MOTIVATED CRIME | 1 |
| CINC; IS WITHOUT ADEQUATE PARENTAL CARE, CONTROL OR SUBSISTENCE | 3 |
| CONTRIBUTE TO A CHILD MISCONDUCT, FAILURE TO REVEAL A RUNAWAY | 1 |
| CRIMINAL DAMAGE TO PROPERTY, MISDEMEANOR | 6 |
| DISORDERLY CONDUCT | 10 |
| DRUGS: POSS DRUG PARAPHERNALIA (M) | 4 |
| DRUGS: POSSESSION OF PARAPHARNALIA (M) | 1 |
| DRUGS: TAX STAMP; NO DRUG | 1 |
| DRUGS:DISTRIBUTE METH/CERTAIN STIMULANTS 3.5-100 GR | 2 |
| DRUGS; POSSESSION OF MARIJUANA/HALLUCINOGENS | 8 |
| DRUGS; POSSESSION OF PARAPHERNALIA (F) | 2 |
| DRUGS; POSSESSION OF PARAPHERNALIA (M) | 4 |
| DUI:,COMBINATION OF DRUGS/ALCOHOL/2ND CONV | 1 |
| DUI: REFUSAL OF PRELIMINARY BREATH TEST | 1 |
| DUI:DRIVING UNDER INFLUENCE | 2 |
| DUI; 1ST, CONV, BLOOD OR BREATH .08 OR HIGHER | 3 |
| DUI; 3RD CONV IN 10 YEARS | 1 |
| DUI; 3RD CONV/BLOOD OR BREATH .08 OR HIGHER | 1 |
| DUI;2ND CONV, BLOOD OR BREATH HIGHER THAN .08 | 1 |
| FAILURE TO APPEAR | 3 |
| FTA | 4 |
| HARASSMENT BY TELECOM DEVICE, THREATENING PHONE CALL OR FAX | 1 |
| INDECENT LIBERTIES W/CHILD, AGG, INTERCOURSE WITH CHILD 14 < 16 YOA | 1 |
| MURDER 1ST DEGREE ATTEMPTED;INTENTIONAL | 1 |
| PEDESTRIAN UNDER THE INFLUENCE | 3 |
| RESISTING ARREST/OBSTRUCTION LEO | 1 |
| RESISTING ARREST/OBSTRUCTION OF LEO | 4 |
| THEFT; \$1000 TO \$25000 PROPERTY OR SERVICES/FROM BUILDING | 1 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/ALL OTHER | 5 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/SHOP LIFTING | 4 |
| THEFT; POSSESSION OF STOLEN PROPERTY <\$1000.00 | 1 |
| TRAFFIC: DEFECTIVE TAIL LAMP | 1 |
| TRAFFIC: DRIVING WHILE SUSPENDED OR REVOKED | 5 |
| TRAFFIC: FAIL TO SIGNAL; UNSAFE TURN | 2 |
| TRAFFIC: FAIL TO YIELD AT STOP SIGN | 2 |
| TRAFFIC: FAIL TO YIELD RIGHT OF WAY | 1 |
| TRAFFIC: FAILURE OF DRIVER REPORT UNATTENDED VECHICLE/PROPERTY | 1 |
| TRAFFIC: FAILURE TO STOP AT ACCIDENT; INJURY OR DAMAGE OVER \$1000 | 1 |
| TRAFFIC: INATTENTIVE DRIVING | 1 |
| TRAFFIC: LANED ROADWAY; IMPROPER DRIVE | 1 |
| TRAFFIC: LEAVING THE SCENE OF ACCIDENT | 3 |

| Violation | # of Offenses |
|--|----------------------|
| TRAFFIC: NO PROOF OF LIABILITY INSURANCE | 5 |
| TRAFFIC: OBSTRUCTED WINDSHIELD | 1 |
| TRAFFIC: OPERATE MV WITHOUT VALID LICENSE | 3 |
| TRAFFIC: TRANSPORTING OPEN CONTAINER | 4 |
| TRAFFIC: UNLAWFUL REGISTRATION | 1 |
| TRAFFIC: UNLAWFUL USE OF TURN SIGNALS | 1 |
| TRESPASS, REMAIN IN DEFIANCE OF ORDER BY OWNER | 3 |
| TRESPASS, UNKNOWN CRICUMSTANCE | 1 |
| WARRANT ARREST | 1 |
| WARRANT ARREST FOR OTHER JURISDICTION | 8 |
| WARRANT ARREST; FOR ANOTHER JURISDICTION | 3 |
| WEAPONS;UNLAWFUL DISCHARGE OF A FIREARM IN THE CITY LIMITS | 1 |
| WORTHLESS CHECK- VALUE < \$ 1,000 | 1 |
| Total Violations | 146 |
| Total Arrests | 84 |

Incidents - By Violation

12\01\2015
 thru 12\31\2015
 Agency is: OTTAWA PD

| <u>Violation</u> | <u>Incidents</u> |
|---|------------------|
| AGG BATTERY;RECKLESS GREAT BODILY HARM | 1 |
| ANIMALS: KEEPING VICIOUS ANIMALS | 1 |
| ANIMALS: REGISTRATION REQUIREMENTS | 1 |
| ANIMALS: VACCINATION REQUIREMENTS | 1 |
| ARSON, AGG, SUBSTANCIAL RISK TO GREAT BODILY HARM | 1 |
| ASSAULT | 1 |
| ASSAULT,AGG | 1 |
| BATTERY | 4 |
| BATTERY,AGAINST SCHOOL EMPLOYEE | 1 |
| BATTERY,DOMESTIC, KNOWING RUDE PHYSICAL CONTACT W/FAMILY MEMBER | 5 |
| BATTERY,RUDE PHYSICAL CONTACT | 1 |
| BATTERY;PHYSICAL CONTACT IN RUDE/INSULTING MANNER | 1 |
| BLACKMAIL | 1 |
| BURGLARY AGG | 1 |
| BURGLARY: UNKNOWN CIRCUMSTANCE | 2 |
| BURGLARY; DWELLING TO COMMIT FELONY,THEFT OR SEXUALLY MOTIVATED CRIME | 3 |
| BURGLARY; VEHICLE TO COMMIT FELONY/THEFT | 2 |
| BURGLARY;NON-DWELLING FELONY | 2 |
| BURGLARY;NON-DWELLING TO COMMIT FELONY/THEFT/SEXUALLY MOTIVATED CRIME | 1 |
| CINC; IS WITHOUT ADEQUATE PARENTAL CARE, CONTROL OR SUBSISTENCE | 2 |
| CINC; ORDERS OF PROTECTIVE CUSTODY | 1 |
| CONTRIBUTE TO A CHILD MISCONDUCT, FAILURE TO REVEAL A RUNAWAY | 1 |
| COUNTERFEITING, VALUE LESS THAN \$ 1,000 | 1 |
| CRIMINAL DAMAGE TO PROPERTY, MISDEMEANOR | 12 |
| CRIMINAL DAMAGE TO PROPERTY,FELONY | 1 |
| CRIMINAL THREAT,CAUSE TERROR,EVACUATION & DISRUPTION | 3 |
| CRIMINAL THREAT,UNKNOWN CIRCUMSTANCE | 1 |
| DISORDERLY CONDUCT | 10 |
| DOGS RUNNING AT LARGE | 1 |
| DRUGS: POSS DRUG PARAPHERNALIA (M) | 4 |
| DRUGS: POSSESSION OF PARAPHERNALIA (M) | 1 |
| DRUGS: TAX STAMP; NO DRUG | 1 |
| DRUGS:DISTRIBUTE METH/CERTAIN STIMULANTS 3.5-100 GR | 2 |
| DRUGS; POSSESSION OF MARIJUANA/HALLUCINOGENS | 8 |
| DRUGS; POSSESSION OF PARAPHERNALIA (F) | 2 |
| DRUGS; POSSESSION OF PARAPHERNALIA (M) | 4 |
| DUI: COMBINATION OF DRUGS/ALCOHOL/2ND CONV | 1 |
| DUI: REFUSAL OF PRELIMINARY BREATH TEST | 1 |
| DUI:DRIVING UNDER INFLUENCE | 2 |
| DUI; 1ST, CONV, BLOOD OR BREATH .08 OR HIGHER | 3 |
| DUI; 3RD CONV IN 10 YEARS | 1 |
| DUI; 3RD CONV/BLOOD OR BREATH .08 OR HIGHER | 1 |
| DUI;2ND CONV, BLOOD OR BREATH HIGHER THAN .08 | 1 |
| ENDANGERING A CHILD | 1 |

| Violation | Incidents |
|--|-----------|
| EXPLOSIVES, POSS, MANUF, TRANSPORT COMMERCIAL EXPLOSIVES | 1 |
| FAILURE TO APPEAR | 3 |
| FALSE IMPERSONATION,, AGG, | 1 |
| FINANCIAL CARD, CRIMINAL USE OF | 3 |
| FORGERY, DISTRIBUTING OR ISSUING WRITTEN INSTRUMENT | 2 |
| FORGERY, MAKING OR ALTERING A WRITTEN INSTRUMENT | 3 |
| FTA | 4 |
| GAMBLING DEVICE, UNLAWFUL POSSESSION OF | 1 |
| GAMBLING, ATTEMPTED TAMPERING WITH A SPORTS CONTEST | 1 |
| GAMBLING, MAKING A BET | 2 |
| GAMBLING; DEALING IN GAMBLING DEVICES | 1 |
| HARASSMENT BY TELECOM DEVICE, THREATENING PHONE CALL OR FAX | 1 |
| HARASSMENT BY TELECOM DEVICE, TRANSMIT OBSCENE COMMENT | 1 |
| IDENTITY THEFT; USE/SIMPLY TO OBTAIN DOCUMENT WITH PERSONAL INFORMATION | 1 |
| ILLEGAL BINGO OPERATION | 1 |
| INCEST, AGG | 1 |
| INDECENT LIBERTIES W/CHILD, AGG, INTERCOURSE WITH CHILD 14 < 16 YOA | 2 |
| INTERFERENCE PARENTAL CUSODY, UNKNOWN CIRCUMSTANCE | 1 |
| INTERFERENCE PARENTAL CUSTODY. AGG, REFUSE TO RETURN CHILD | 1 |
| INVOLUNTARY MANSLAUGHTER, RECKLESS | 1 |
| OBSCENITY, PROMOTE OBSCENITY TO MINORS | 1 |
| ORDER PROTECTIVE CUSTODY | 3 |
| PEDESTRIAN UNDER THE INFLUENCE | 4 |
| PROSTITUTION; PROMOTING THE SELL OF SEXUAL RELATION; MAINTAIN HOME 1ST OFFENSE | 1 |
| PROSTITUTION; SEXUAL INTERCOURSE | 1 |
| RAPE, OFFENDER IS 18 OR OLDER AND VICTIM IS <14 YOA | 1 |
| RESISTING ARREST/OBSTRUCTION LEO | 2 |
| RESISTING ARREST/OBSTRUCTION OF LEO | 3 |
| ROBBERY, AGG | 1 |
| SODOMY, AGG, UNKNOWN CIRCUMSTANCE | 1 |
| THEFT BY DECEPTION, VALUE \$ 1,000 TO \$ 25,000 | 1 |
| THEFT BY DECEPTION, VALUE LESS THAN \$ 1,000 | 2 |
| THEFT OF MOTOR FUEL | 2 |
| THEFT, LOST OR MISLAID PROPERTY | 2 |
| THEFT; \$25,000 TO \$100,000 OF PROPERTY OR SERVICES/PICK POCKET | 2 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/ALL OTHER | 11 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/FROM BUILDING | 3 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/SHOP LIFTING | 5 |
| THEFT; POSSESSION OF STOLEN PROPERTY <\$1000.00 | 2 |
| THEFT; \$1000 TO \$25,000 OF PROPERTY OR SERVICES/VEHICLE PARTS | 5 |
| TRAFFIC: DEFECTIVE TAIL LAMP | 1 |
| TRAFFIC: DRIVING WHILE SUSPENDED OR REVOKED | 5 |
| TRAFFIC: FAIL TO SIGNAL; UNSAFE TURN | 2 |
| TRAFFIC: FAIL TO YIELD AT STOP SIGN | 2 |
| TRAFFIC: FAILURE OF DRIVER REPORT UNATTENDED VECHICLE/PROPERTY | 1 |
| TRAFFIC: FAILURE TO STOP AT ACCIDENT; INJURY OR DAMAGE OVER \$1000 | 2 |
| TRAFFIC: FLEE/ELUDE LEO | 1 |
| TRAFFIC: INATTENTIVE DRIVING | 1 |
| TRAFFIC: LANED ROADWAY; IMPROPER DRIVE | 1 |
| TRAFFIC: LEAVING THE SCENE OF ACCIDENT | 4 |
| TRAFFIC: NO PROOF OF LIABILITY INSURANCE | 6 |
| TRAFFIC: OBSTRUCTED WINDSHIELD | 1 |

| Violation | Incidents |
|--|------------------|
| TRAFFIC: OPERATE MV WITHOUT VALID LICENSE | 3 |
| TRAFFIC: TRANSPORTING OPEN CONTAINER | 4 |
| TRAFFIC: UNLAWFUL REGISTRATION | 2 |
| TRAFFIC: UNLAWFUL USE OF TURN SIGNALS | 1 |
| TRESPASS, REMAIN IN DEFIANCE OF ORDER BY OWNER | 4 |
| TRESPASS, UNKNOWN CRICUMSTANCE | 2 |
| WARRANT ARREST | 1 |
| WARRANT ARREST FOR OTHER JURISDICTION | 8 |
| WARRANT ARREST; FOR ANOTHER JURISDICTION | 3 |
| WEAPONS;UNLAWFUL DISCHARGE OF A FIREARM IN THE CITY LIMITS | 1 |
| WELFARE FRAUD | 1 |
| Total Violations | 239 |
| Total Incidents | 200 |

Citations - By Violation

12\01\2015
 thru 12\31\2015
 Agency is: OTTAWA PD

| Violation | Citation# |
|---|-----------|
| ANIMALS: REGISTRATION REQUIREMENTS | 1 |
| ANIMALS: RUNNING AT LARGE | 2 |
| ANIMALS: RUNNING AT LARGE PROHIBITED | 1 |
| ANIMALS: VACCINATION REQUIREMENTS | 1 |
| CRIMINAL DAMAGE TO PROPERTY, MISDEMEANOR | 1 |
| CURFEW | 1 |
| DEPRIVATION OF PROPERTY, MOTOR VEHICLE | 1 |
| DISORDERLY CONDUCT | 6 |
| DOG LICENSE (TAGS) | 2 |
| DRUGS: POSSESSION OF PARAPHARNALIA (M) | 3 |
| DRUGS; POSSESSION OF MARIJUANA/HALLUCINOGENS | 5 |
| DRUGS; POSSESSION OF PARAPHERNALIA (M) | 3 |
| DUI: REFUSAL OF PRELIMINARY BREATH TEST | 1 |
| DUI:1ST CONVICTION | 1 |
| DUI:2ND CONVICTION | 1 |
| DUI:DRIVING UNDER INFLUENCE | 6 |
| INTERFERE WITH LEO;FALSE REPORT FOR ACTION | 1 |
| INTERFERENCE WITH JUDICIAL PROCESS; JUDICIAL OFFICER | 1 |
| PARKING STALL LINES; VEHICLES SHALL NOT EXCEED BEYOND | 5 |
| PARKING: NO PARKING ZONES | 1 |
| PARKING; 72 HR LIMIT ON STREET | 1 |
| PARKING; TWO HOUR PARKING VIOL | 100 |
| PEDESTRIAN UNDER THE INFLUENCE | 3 |
| RESISTING ARREST/OBSTRUCTION OF LEO | 1 |
| THEFT BY DECEPTION, VALUE LESS THAN \$ 1,000 | 1 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/ALL OTHER | 2 |
| THEFT; < \$1000 OF PROPERTY OR SERVICES/FROM BUILDING | 1 |
| TRAFFIC: DEFECTIVE HEADLAMPS | 2 |
| TRAFFIC: DEFECTIVE TAIL LAMP | 3 |
| TRAFFIC: DISOBEY TRAFFIC SIGNAL | 2 |
| TRAFFIC: DRIVING IN VIOLATION OF RESTRICTIONS | 1 |
| TRAFFIC: DRIVING WHILE SUSPENDED OR REVOKED | 9 |
| TRAFFIC: EXPIRED TAGS | 5 |
| TRAFFIC: FAIL TO SIGNAL; UNSAFE TURN | 3 |

| Violation | Citation# |
|--|------------------|
| TRAFFIC: FAIL TO YIELD AT STOP SIGN | 11 |
| TRAFFIC: FAIL TO YIELD RIGHT OF WAY | 3 |
| TRAFFIC: FAILURE TO REPORT ACCIDENT | 2 |
| TRAFFIC: FOLLOW VEHICLE TOO CLOSELY | 1 |
| TRAFFIC: IMPROPER BACKING | 2 |
| TRAFFIC: IMPROPER TURN OR APPROACH | 2 |
| TRAFFIC: INATTENTIVE DRIVING | 4 |
| TRAFFIC: LANED ROADWAY; IMPROPER DRIVE | 1 |
| TRAFFIC: LEAVE THE SCENE OF INJURY ACCIDENT | 1 |
| TRAFFIC: LEFT TURNS | 1 |
| TRAFFIC: MAXIMUM SPEED LIMITS | 10 |
| TRAFFIC: NO PROOF OF LIABILITY INSURANCE | 25 |
| TRAFFIC: NO SEAT BELT | 5 |
| TRAFFIC: NON DRIVER ID; UNLAWFUL USE | 1 |
| TRAFFIC: OBSTRUCTED WINDSHIELD | 1 |
| TRAFFIC: OPERATE MV WITHOUT VALID LICENSE | 5 |
| TRAFFIC: PASSING ON RIGHT; IMPROPER | 1 |
| TRAFFIC: SPEEDING | 7 |
| TRAFFIC: TRANSPORTING OPEN CONTAINER | 4 |
| TRAFFIC: UNLAWFUL REGISTRATION | 2 |
| TRAFFIC: UNLAWFUL RIDING ON VEHICLES; PERSONS 14 YRS AND OLDER | 1 |
| TRAFFIC: UNLAWFUL USE OF TURN SIGNALS | 1 |
| TRAFFIC: VEHICLE REGISTRATION | 2 |
| TRAFFIC: DEFECTIVE TAG LAMP ON MV | 1 |
| TRAFFIC: PARKING PROHIBITED | 1 |
| TRAFFIC; IMPROPER STOP OR TURN SIGNAL | 2 |
| TRESPASS, REMAIN IN DEFIANCE OF ORDER BY OWNER | 1 |
| TRESPASS, UNKNOWN CIRCUMSTANCE | 2 |
| TRESPASS; PRIVATE PROPERTY | 2 |
| Total Violations | 280 |
| Total Citations | 214 |

Calls Report - By Call Disposition

12\01\2015
thru 12\31\2015
Agency is: OTTAWA PD

| Disposition | # Of Calls |
|---------------------|-------------------|
| ARREST | 19 |
| BACKUP | 24 |
| CITATION ISSUED | 2 |
| DUPLICATE CALL | 1 |
| FALSE ALARM | 2 |
| GENERAL INFORMATION | 3 |
| HBO-NO REPORT | 703 |
| NO CONTACT | 24 |
| OTHER | 4 |
| REPORT | 167 |
| UNFOUNDED | 112 |
| WARNING | 1 |
| Total | 1,062 |

| | 2015 | | 2014 | | 2013 | | 2012 | | 2011 | | 2010 | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | REPORTED | CLEARED |
| REPORTED CRIMES PART ONE OFFENSES | | | | | | | | | | | | |
| Arson | 2 | 1 | 5 | 0 | 2 | 1 | 6 | 3 | 4 | 1 | 5 | 1 |
| Assault: Aggravated (Agg Battery) | 24 | 18 | 25 | 17 | 18 | 14 | 17 | 14 | 7 | 6 | 23 | 17 |
| Burglary | 66 | 35 | 153 | 79 | 134 | 84 | 117 | 73 | 108 | 60 | 93 | 41 |
| Murder | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Rape | 10 | 5 | 4 | 2 | 11 | 2 | 14 | 5 | 7 | 1 | 14 | 9 |
| Robbery | 3 | 0 | 0 | 0 | 2 | 1 | 4 | 2 | 3 | 2 | 1 | 0 |
| Theft | 305 | 167 | 415 | 228 | 446 | 278 | 410 | 282 | 364 | 239 | 424 | 247 |
| Theft: Auto | 14 | 9 | 28 | 12 | 11 | 8 | 10 | 7 | 8 | 4 | 8 | 1 |
| Total Part One Offenses | 424 | 235 | 630 | 338 | 624 | 388 | 578 | 386 | 501 | 313 | 569 | 317 |

| OTHER CRIMES | | | | | | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Assault | 6 | 3 | 2 | 2 | 5 | 3 | 2 | 2 | 3 | 2 | 1 | 0 |
| Assault: LEO | 1 | 1 | 3 | 3 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Battery | 64 | 54 | 52 | 46 | 45 | 39 | 54 | 39 | 59 | 44 | 53 | 41 |
| Battery: Domestic | 73 | 63 | 95 | 77 | 86 | 70 | 78 | 71 | 63 | 40 | 48 | 41 |
| Battery: LEO | 0 | 0 | 7 | 5 | 3 | 3 | 4 | 4 | 6 | 6 | 5 | 1 |
| Criminal Damage Property | 159 | 114 | 157 | 102 | 184 | 135 | 152 | 122 | 171 | 133 | 191 | 51 |
| Criminal Threats | 21 | 13 | 13 | 6 | 17 | 12 | 14 | 13 | 10 | 4 | 14 | 5 |
| Disorderly Conduct | 57 | 55 | 42 | 42 | 25 | 24 | 30 | 27 | 28 | 25 | 13 | 4 |
| Driving Under Influence | 104 | 103 | 76 | 75 | 62 | 59 | 65 | 64 | 79 | 77 | 75 | 34 |
| Drug Offenses | 222 | 219 | 190 | 186 | 159 | 159 | 152 | 140 | 132 | 132 | 91 | 41 |
| Forgery | 24 | 9 | 17 | 9 | 28 | 9 | 42 | 8 | 36 | 20 | 29 | 7 |
| Homicide | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Juvenile Offenses | 91 | 82 | 64 | 57 | 50 | 46 | 42 | 36 | 48 | 40 | 41 | 18 |
| Kidnapping | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 5 | 3 | 2 | 1 |
| Kidnapping: Aggravated | 1 | 0 | 0 | 0 | 0 | 0 | 3 | 2 | 0 | 0 | 2 | 1 |
| Liquor Related Offenses | 37 | 37 | 42 | 42 | 29 | 27 | 32 | 32 | 23 | 23 | 29 | 16 |
| Phone harassment | 4 | 2 | 2 | 0 | 1 | 0 | 2 | 2 | 3 | 1 | 7 | 4 |
| Sex Offenses | 31 | 16 | 15 | 6 | 23 | 8 | 21 | 11 | 29 | 12 | 22 | 10 |
| Suicide | 6 | 5 | 14 | 12 | 18 | 16 | 36 | 34 | 24 | 24 | 17 | 6 |
| Vehicle Related Offenses | 426 | 404 | 441 | 411 | 338 | 321 | 298 | 292 | 383 | 379 | 367 | 135 |
| All Other Offenses | 608 | 544 | 632 | 581 | 594 | 516 | 523 | 483 | 539 | 488 | 437 | 167 |
| Total: Other Crimes | 1,935 | 1,724 | 1,865 | 1,663 | 1,669 | 1,449 | 1,552 | 1,383 | 1,641 | 1,453 | 1,445 | 584 |

| | | | | | | | | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Totals | 2,359 | 1,959 | 2,495 | 2,001 | 2,293 | 1,837 | 2,130 | 1,769 | 2,142 | 1,766 | 2,014 | 901 |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|

| OTHER ACTIVITIES | | | | | | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Calls for Service | 11,802 | 15,815 | 15,155 | 12,410 | 11,264 | 10,351 |
| Traffic Accidents | 193 | 210 | 219 | 172 | 202 | 238 |
| Warrants Served | 274 | 303 | 273 | 279 | 338 | 365 |
| TOTAL | 14,628 | 18,823 | 17,940 | 14,991 | 13,946 | 12,968 |

CITY OF OTTAWA, KANSAS
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: City Commission
FROM: Michael Haeffele - Director of Public Works
COPY TO: Justin McCurdy, Chris Raby, DJ Welsh, Debbie Badders, Lisa Borjas, Glora Mathews, Richard Nienstedt
SUBJECT: December 2015 Monthly Activity Report/Public Works Projects Update
DATE: January 4, 2015

Project descriptions will only be included when a project first appears. Subsequent reports will only list significant activity related to an ongoing project or changes that occur during the reporting period. Ongoing projects for which there is no significant activity during the month are not listed.

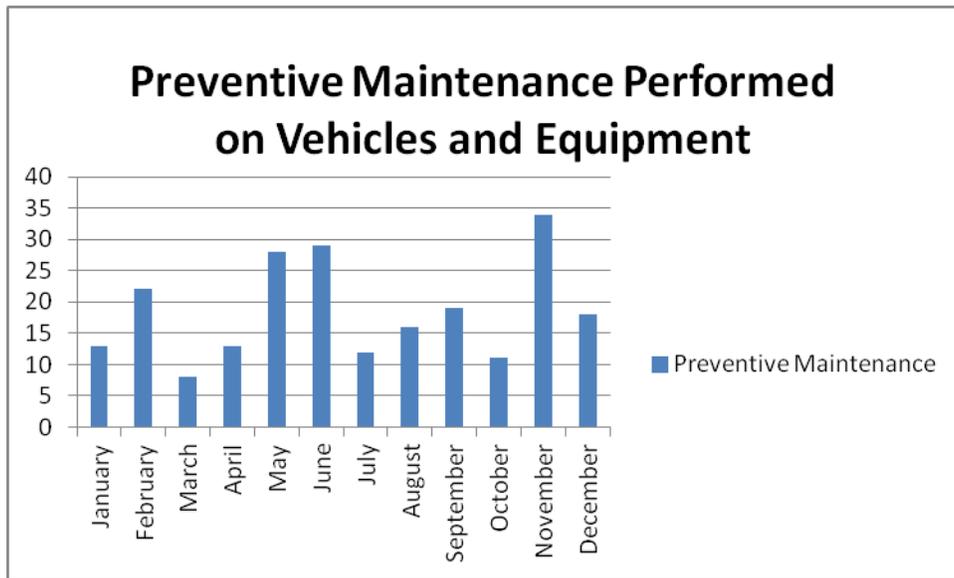
Streets:

- Cleaned out catch basins as part of the MS4 permit
- Patched potholes and put gravel on the roads around the holding ponds on 2nd St.
- Patched a sidewalk in the 100 block of West 2nd St.
- Removed part of the guardrail and installed parking stops in the parking lot at the antique mall
- Poured a sidewalk and driveway at the airport and finished hauling dirt off from the T-hangar project
- Started trimming trees on the SW side of town
- Put millings on the roads at Hope Cemetery and graded gravel streets and alleys
- Picked up brush from wind storm on 12/20/2015 and worked a snow and ice storm on 12/28/2015

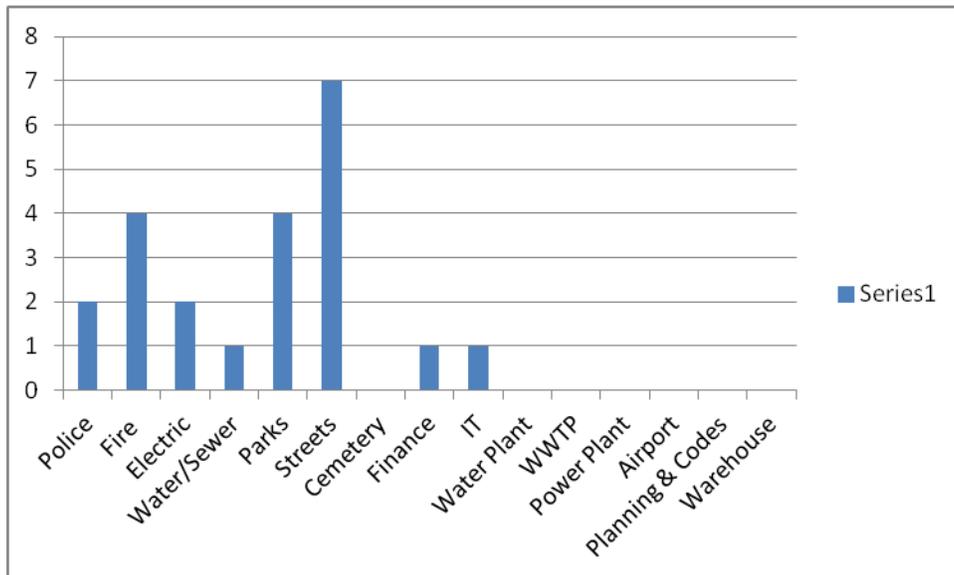
Parks:

- Tree trimming and removal in parks
- Helped remove 10 trees in Highland Cemetery and trimmed the remaining trees
- Helped Street Division put asphalt millings on roads in Hope Cemetery
- Installed 5 new drain tubes in Hope Cemetery to alleviate some flooding issues
- Removed 3 stumps in Forest Park
- Replaced damaged and missing shingles on restrooms and shelter houses at various parks
- Repaired the fence at Skate Park, replaced gate with removable bollard
- Removed an old spring toy and installed a new one in its place at Forest Park
- Leveled all of the playground surfacing in all parks

City Garage: The Garage routinely services vehicles and equipment for all City departments. The most typical service is a periodic oil change with associated checks and services (preventive maintenance). The chart below shows the number of PM's performed this month compared to previous months this year.

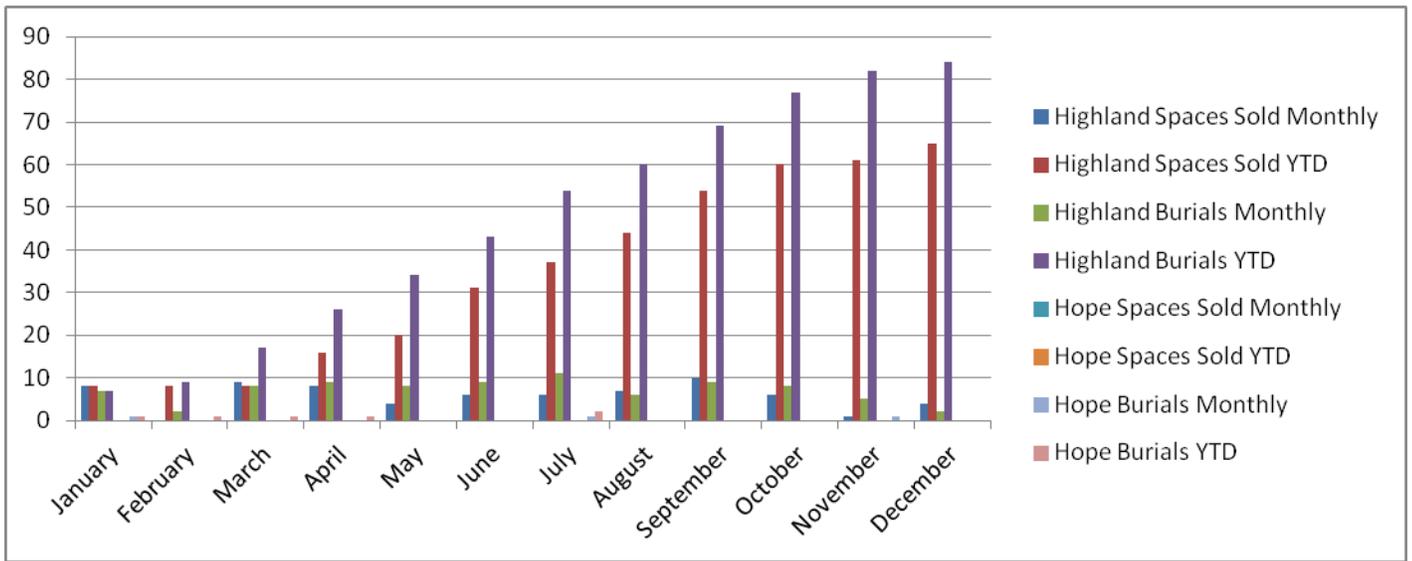


This chart shows the amount of repairs performed by the Fleet Maintenance Department, separated by department. These repairs vary from brake replacements to electrical problems.

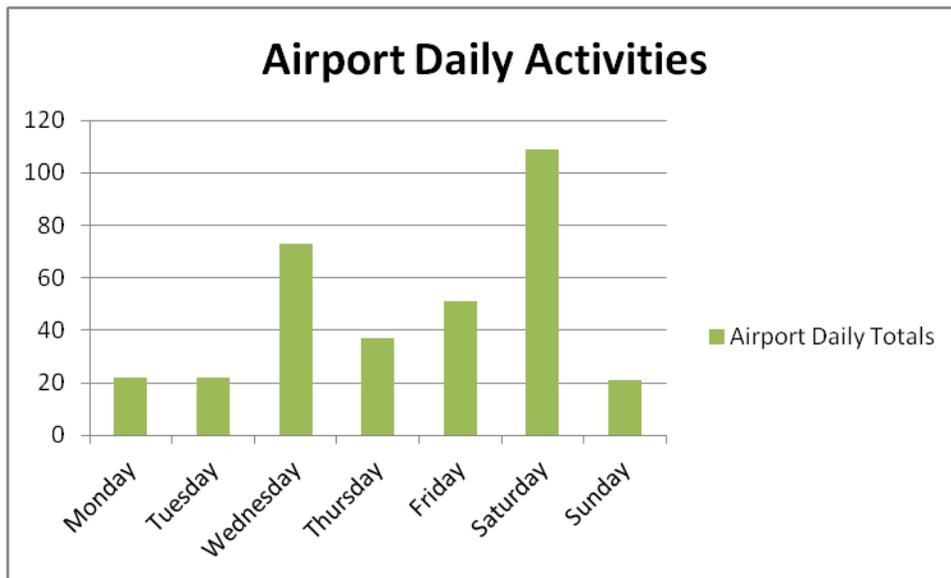


During the month of December, one vehicle was sent to an outside vendor for repairs. Truck #12 in the electric distribution division had a plugged exhaust and we do not have the tooling to make that type of repair.

Cemeteries: Following are excerpts from the monthly Sextons' Reports: December graph is shown below.



Airport Activities Report. Shown below are the daily operations reported by the Airport Manager. These are the operations witnessed by the FBO during normal operating hours. An “operation” is either a landing or a take-off (e.g. a landing to fuel and then leave is two operations, as is a touch-and-go landing). You can see in the chart below that Wednesday and Saturday were the busiest days this month.



Airport fuel sales for Aviation Gas (100LL) during December 2015 amounted to 238 gallons (CY 2015 to date = 7,564 gal) and 497 gallons of Jet-A fuel (CY 2015 to date = 2,077 gal) were sold during the month of December. The “Courtesy Car” was used 2 times this month.

To: City Manager
From: Dennis Tharp
Date: December, 2015
Subject: Utilities Project Activities

KMEA POWER SUPPLY COMMITTEE

Purchase Power agreement for Marshall wind farm approved and will commence taking power in JULY 2016. Looking at collaborative solar opportunities within the KMEA footprint that could provide community solar opportunities. Researching transmission ownership that could help offset costs related to receiving power.

WATER TREATMENT PLANT RAW WATER SUPPLY LINE

Professional Engineering Consultants (PEC) presented the results of their study of the raw water supply line, water treatment plant, regulatory and disinfection review to the City Commission on September 30, 2013. PEC established priorities and recommended, as the top two priorities, construction of a parallel raw water supply line and construction of a second clear well.

Final paperwork submitted to KDHE waiting for approval to move forward with RFP process.

Electric Projects

Contracted with SEGA to begin study of electric extension into the Rock Creek Development park will provide updates as they become available. Appears a new transformer at SE substation is inevitable to support addition.

We have done all primary work necessary for the new Price Chopper. We are waiting for them at this point.

Still working on converting north of the river from 4kv to 7200kv.

December has been a challenging month with all the Christmas Decoration that needed to be installed.

We seem to have had more problems this year trying to keep the lights working.

There were several outages but no major one until the last day of the year which was a major outage which took a while to figure out.

We are still on schedule with Price Chopper.

The rest of the month was taken up with tree clearance and service orders

Miscellaneous

A) Solar project moving forward, plan to break ground in couple weeks(Weather permitting

B) Contracted with Elster to develop test group of AMI Meters and are hoping to deploy by March 1st

WATER RECLAMATION MONTHLY REPORT

Dec-15

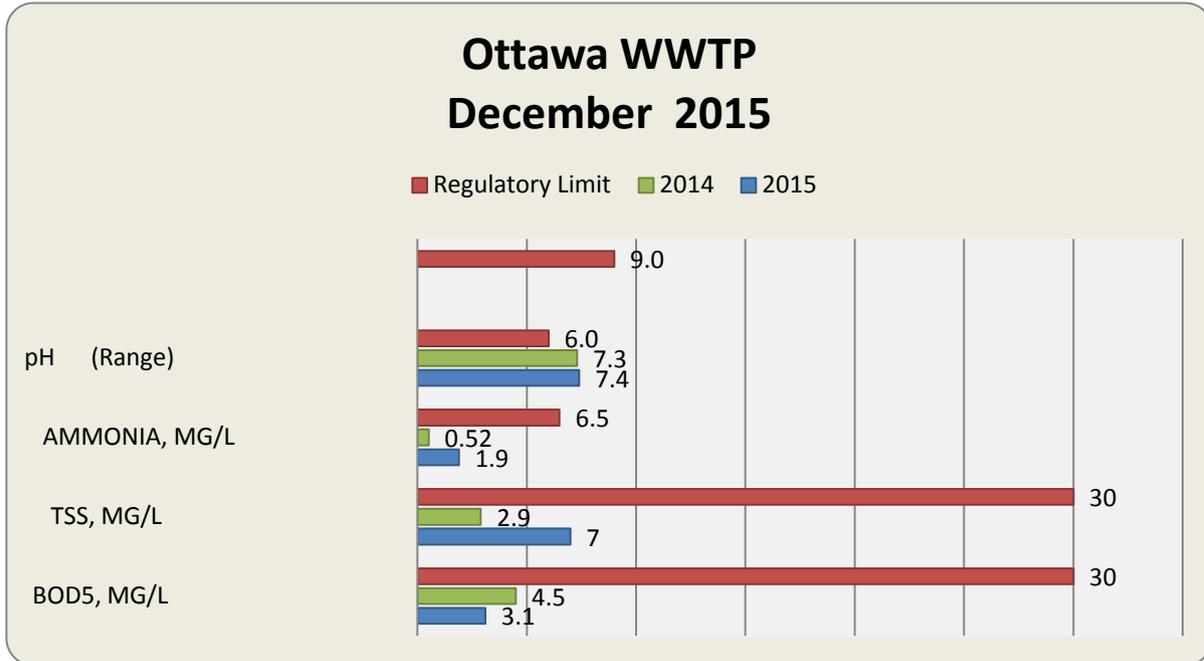
| | 2015 | | 2014 | |
|--------------------------------|------------|--------------|------------|--------------|
| | This Month | Year To Date | Same Month | Year To Date |
| TOTAL FLOW, MG | 32.6 | 200.95 | 19.41 | 148.65 |
| PEAK DEMAND DAY, MG | 3.77 | 5.202 | 1.63 | 3.006 |
| AVERAGE DAILY FLOW, MGD | 1.05 | 0.64 | 0.626 | 0.41 |

AVERAGE PLANT INFLUENT

| | | |
|------------|------|-------|
| BOD5, MG/L | 142 | 293 |
| TSS, MG/L | 161 | 181 |
| TKN MG/L | 15.2 | 27.45 |
| pH, SU | 7.5 | 7.3 |

AVERAGE PLANT EFFLUENT

| | Regulatory Limit | | | |
|------------------------|------------------|------------|------|------|
| BOD5, MG/L | 3.1 | 30 | MG/L | 4.5 |
| TSS, MG/L | 7 | 30 | MG/L | 2.9 |
| AMMONIA, MG/L | 1.9 | 6.5 | MG/L | 0.52 |
| pH (Range) | 7.4 | 6.0 | 9.0 | 7.3 |
| PERCENT REDUCTION BOD5 | 98% | 85% | | 98% |
| PERCENT REDUCTION TSS | 96% | 85% | | 98% |
| TOTAL PHOSPHOROUS | 0.52 | 1.5 yr/ave | MG/L | 2.7 |



START: END:

| # | NAME(S): | DATE | HOURS ACCRUED | TIME IN | TIME OUT |
|----|----------------------------------|------------|---------------|---------|----------|
| 1 | bryan&john | 12/2/2015 | 2 | 430pm | 630pm |
| 2 | andrew & bryan | 12/3/2015 | 0.5 | 1200pm | 1230pm |
| 3 | andrew &bill & bryan | 12/3/2015 | 8 | 11pm | 7am |
| 4 | bryan&john andrew,bill ,ed,kevin | 12/4/2015 | 0.5 | 12pm | 1230pm |
| 5 | pat& bryan | 12/11/2015 | 2 | 530pm | 730pm |
| 6 | pat& bryan | 12/12/2015 | 2 | 9am | 11am |
| 7 | pat& bryan | 12/13/2015 | 2 | 11am | 1pm |
| 8 | bill&mike | 12/20/2015 | 2.5 | 1130am | 2pm |
| 9 | bill&mike | 12/23/2015 | 2 | 8pm | 10pm |
| 10 | bill,mike, andrew,bryan | 12/31/2015 | 4.5 | 7pm | 1130pm |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |

REASON FOR OVERTIME:

| | |
|---------|--|
| 1 | emergency locate |
| 2 | ORV[squirrel] |
| 3 | broken pole 5th and Beech |
| 4 | worked thru dinner |
| 5 | crushed meter behind sears |
| 6 | replace broken meter |
| 7 | checked limb on line |
| 8 | 734 s oak. Limb on primary and secondary |
| 9 | fire on building at 229 s. main |
| 10 | circuit 7 lockout. Fed from circuit 11 |
| 22and23 | |

| | Dec-15 | Feet |
|---------|--------|--------|
| Ram Jet | | 3,379 |
| VacCon | | 0 |
| Camera | | 10,613 |
| Total | | 13,992 |

DECEMBER WEATHER 2015

| DATE | HIGH | LOW | 7 A.M. | RAIN | SNOW | REMARKS |
|------|------|-----|--------|------|------|---------|
| 1 | 40 | 29 | 29 | 0.25 | | |
| 2 | 46 | 29 | 33 | | | |
| 3 | 48 | 23 | 23 | | | |
| 4 | 50 | 23 | 23 | | | |
| 5 | 58 | 23 | 34 | | | |
| 6 | 58 | 23 | 41 | | | |
| 7 | 55 | 25 | 26 | | | |
| 8 | 60 | 25 | 38 | | | |
| 9 | 56 | 36 | 37 | | | |
| 10 | 66 | 35 | 49 | | | |
| 11 | 63 | 34 | 36 | | | |
| 12 | 66 | 36 | 42 | | | |
| 13 | 67 | 42 | 61 | 0.66 | | |
| 14 | 62 | 40 | 40 | 1.66 | | |
| 15 | 44 | 38 | 39 | | | |
| 16 | 62 | 30 | 30 | | | |
| 17 | 62 | 22 | 23 | | | |
| 18 | 32 | 19 | 20 | | | |
| 19 | 44 | 20 | 24 | | | |
| 20 | 53 | 23 | 46 | | | |
| 21 | 58 | 36 | 36 | | | |
| 22 | 58 | 25 | 29 | | | |
| 23 | 53 | 29 | 53 | | | |
| 24 | 58 | 29 | 37 | | | |
| 25 | 51 | 23 | 27 | | | |
| 26 | 47 | 26 | 46 | | | |
| 27 | 51 | 31 | 31 | 1.32 | | |
| 28 | 51 | 26 | 26 | 0.25 | 0.25 | |
| 29 | 28 | 19 | 19 | 0.27 | 0.50 | |
| 30 | 29 | 19 | 21 | 0.01 | 0.25 | |
| 31 | 31 | 20 | 24 | | | |

| | | | | | |
|---------------------------------|----------------|------------|-----------------|-----------------|------|
| Dec. 14 | Average Temps. | | | Total Inches of | |
| | HIGH | <u>LOW</u> | | RAIN | SNOW |
| | 61 | 36 | | 4.42 | 1.00 |
| Year to Date | | | | | |
| | Average Temps. | | Total Inches of | | |
| | HIGH | LOW | RAIN | SNOW | |
| | 68 | 46 | 45.30 | 5.75 | |
| Historical December Average | | | | | |
| Precipitation | | | | 1.59 | |
| Historical year to Date Average | | | | | |
| Precipitation | | | | 38.59 | |

RAIN & TEMPERATURES
Recorded at 7 AM

OBSERVER
Keith MacAdoo

DECEMBER 2015
MONTHLY WATER TREATMENT REPORT

| Date | Raw Water | Tap Water | Hours Ran | Lime | Alum | Chlorine | Fluoride | Carbon | Ammonia | Copper Sul. | Polymer |
|------|-----------|-----------|-----------|------|------|----------|----------|--------|---------|-------------|---------|
| 1 | 1,443,000 | 1,294,000 | 12.0 | 388 | 0 | 64 | 32 | 0 | 12 | 0 | 172.8 |
| 2 | 1,410,000 | 1,391,000 | 11.4 | 319 | 0 | 62 | 31 | 0 | 11 | 0 | 221.1 |
| 3 | 1,345,000 | 1,321,000 | 11.7 | 328 | 0 | 64 | 32 | 0 | 12 | 0 | 226.9 |
| 4 | 1,342,000 | 1,224,000 | 11.5 | 322 | 0 | 63 | 31 | 0 | 12 | 0 | 223.1 |
| 5 | 1,419,000 | 1,332,000 | 12.3 | 344 | 0 | 68 | 33 | 0 | 12 | 0 | 238.6 |
| 6 | 1,328,000 | 1,304,000 | 11.1 | 311 | 0 | 61 | 30 | 0 | 11 | 0 | 215.3 |
| 7 | 1,363,000 | 1,294,000 | 11.2 | 314 | 0 | 62 | 30 | 0 | 11 | 0 | 217.2 |
| 8 | 1,403,000 | 1,266,000 | 12.0 | 336 | 0 | 66 | 32 | 0 | 12 | 0 | 192.8 |
| 9 | 1,405,000 | 1,340,000 | 12.2 | 342 | 0 | 67 | 33 | 44 | 12 | 0 | 175.6 |
| 10 | 1,298,000 | 1,281,000 | 10.9 | 305 | 0 | 60 | 29 | 0 | 11 | 0 | 156.9 |
| 11 | 1,353,000 | 1,208,000 | 11.3 | 283 | 0 | 62 | 31 | 0 | 11 | 0 | 162.7 |
| 12 | 1,389,000 | 1,347,000 | 11.8 | 295 | 0 | 65 | 32 | 0 | 12 | 0 | 169.9 |
| 13 | 1,251,000 | 1,132,000 | 10.9 | 273 | 0 | 60 | 29 | 0 | 11 | 0 | 156.9 |
| 14 | 1,528,000 | 1,440,000 | 13.0 | 295 | 0 | 72 | 35 | 0 | 13 | 0 | 187.2 |
| 15 | 1,103,000 | 1,064,000 | 9.5 | 190 | 0 | 52 | 26 | 0 | 10 | 0 | 136.8 |
| 16 | 1,444,000 | 1,337,000 | 12.4 | 248 | 0 | 66 | 33 | 0 | 10 | 0 | 178.5 |
| 17 | 1,407,000 | 1,181,000 | 11.7 | 234 | 0 | 62 | 32 | 0 | 10 | 0 | 168.4 |
| 18 | 1,271,000 | 1,233,000 | 11.0 | 220 | 0 | 59 | 30 | 0 | 9 | 0 | 158.4 |
| 19 | 1,161,000 | 1,219,000 | 9.7 | 194 | 0 | 50 | 26 | 0 | 7 | 0 | 139.6 |
| 20 | 1,590,000 | 1,402,000 | 13.2 | 264 | 0 | 68 | 36 | 0 | 10 | 0 | 190 |
| 21 | 1,324,000 | 1,245,000 | 11.4 | 228 | 0 | 59 | 31 | 0 | 9 | 0 | 176.9 |
| 22 | 1,370,000 | 1,287,000 | 11.5 | 230 | 0 | 59 | 31 | 0 | 9 | 0 | 188.6 |
| 23 | 1,334,000 | 1,290,000 | 11.5 | 230 | 0 | 59 | 31 | 0 | 9 | 100 | 188.6 |
| 24 | 1,400,000 | 1,322,000 | 11.8 | 236 | 0 | 61 | 32 | 44 | 9 | 0 | 193.5 |
| 25 | 1,094,000 | 1,097,000 | 9.6 | 192 | 0 | 50 | 26 | 0 | 7 | 0 | 157.4 |
| 26 | 1,339,000 | 1,249,000 | 11.4 | 228 | 0 | 59 | 31 | 0 | 9 | 0 | 186.9 |
| 27 | 1,159,000 | 1,185,000 | 9.5 | 187 | 0 | 49 | 25 | 0 | 7 | 0 | 155 |
| 28 | 1,413,000 | 1,297,000 | 11.7 | 234 | 0 | 60 | 32 | 44 | 9 | 0 | 192 |
| 29 | 1,340,000 | 1,281,000 | 11.0 | 177 | 0 | 55 | 30 | 0 | 8 | 0 | 181.7 |
| 30 | 1,374,000 | 1,244,000 | 11.6 | 186 | 0 | 58 | 31 | 44 | 9 | 0 | 190.2 |
| 31 | 1,316,000 | 1,295,000 | 10.5 | 168 | 0 | 53 | 28 | 44 | 8 | 0 | 172.2 |

MONTHLY TOTALS

| | | | | | | | | | | |
|------------|------------|-----------|--------|--------|----------|----------|--------|---------|-------------|---------|
| Raw Water | Tap Water | Hours Ran | Lime | Alum | Chlorine | Fluoride | Carbon | Ammonia | Copper Sul. | Polymer |
| 41,716,000 | 39,402,000 | 352.3 | 8,101 | 0 | 1,875 | 951 | 220 | 312 | 100 | 5,672 |
| Gallons | Gallons | Hours | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds |

DAILY AVERAGE

| | | | | | | | | | | |
|-----------|-----------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1,345,677 | 1,271,032 | 11.4 | 261 | 0 | 60 | 31 | 7 | 10 | 3 | 183 |
| Gallons | Gallons | Hours | Pounds |

YEAR to DATE TOTALS

| | | | | | | | | | | |
|-------------|-------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| 586,984,000 | 508,708,000 | 4,632.7 | 151,764 | 0 | 30,872 | 12,515 | 3,311 | 4,057 | 900 | 75,420 |
| Gallons | Gallons | Hours | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds | Pounds |

WATER TREATMENT PLANT PRODUCTION REPORT

December-2015

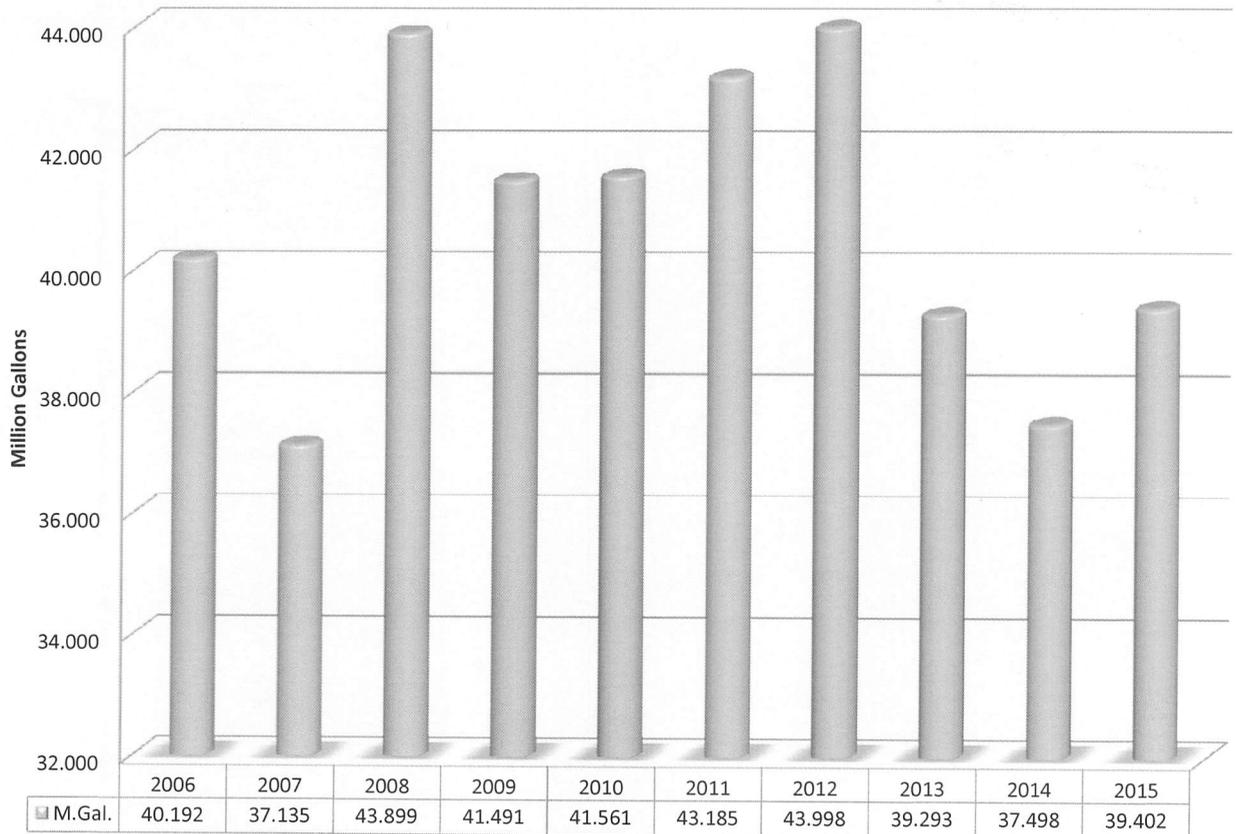
Gallons of Water Produced

| | 2015 | | 2014 | | Year to Date Percentage of Increase / Decrease |
|------------------------|---------------|-----------------|---------------|-----------------|--|
| | This Month | Year to Date | This Month | Year to Date | |
| Monthly Plant Influent | 41,716,000 | 586,984,000 | 42,480,000 | 612,164,000 | -4% |
| Monthly Plant Effluent | 39,402,000 | 508,708,000 | 37,498,000 | 539,577,000 | -6% |
| Sludge Water Reused | 2,544,500 | 31,833,100 | 2,581,700 | 30,555,600 | 4% |
| Average Daily Influent | 1,345,677 | 1,608,175 | 1,370,323 | 1,677,162 | -4% |
| Average Daily Effluent | 1,271,032 | 1,393,721 | 1,209,613 | 1,478,293 | -6% |

Weather Information

| | | | | | |
|--------------------------|------|-------|------|-------|-----|
| Total Precipitation | 4.42 | 45.30 | 2.45 | 32.53 | 28% |
| Average High Temperature | 61 | 68 | 54 | 66 | 4% |
| Average Low Temperature | 36 | 46 | 33 | 41 | 9% |

December Water Production



WATER PRODUCTION

DECEMBER 2015

| PUMP HOURS | | | | | | | |
|------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------|--------------|
| | #1 HIGH SERVICE | #2 HIGH SERVICE | #3 HIGH SERVICE | #4 HIGH SERVICE | #1 K68 BOOST | #2 K68 BOOST | #3 K68 BOOST |
| PRESENT | 21214.0 | 21353.5 | 21554.1 | 21547.4 | 32527.8 | 49479.8 | 51277.9 |
| PREVIOUS | 21113.9 | 21221.2 | 21429.4 | 21459.1 | 32527.8 | 49479.6 | 51277.7 |
| HOURS ON | 100.1 | 132.3 | 124.7 | 88.3 | 0.0 | 0.2 | 0.2 |

| | #1 RIVER | #2 RIVER | #3 RIVER | #4 RIVER | # 1 SLUDGE | # 2 SLUDGE | BW Pump |
|----------|----------|----------|----------|----------|------------|------------|---------|
| PRESENT | 20450.3 | 20426.5 | 20414.1 | 20449.0 | 52989.2 | 52992.6 | 572.3 |
| PREVIOUS | 20361.5 | 20333.5 | 20342.0 | 20352.6 | 52706.3 | 52714.2 | 569.8 |
| HOURS ON | 88.8 | 93.0 | 72.1 | 96.4 | 282.9 | 278.4 | 2.5 |

| | #1 LOW LIFT | #2 LOW LIFT | #3 LOW LIFT | #4 LOW LIFT | #1 N.E BOOST | #2 N.E BOOST | #3 N.E. BOOST |
|----------|-------------|-------------|-------------|-------------|--------------|--------------|---------------|
| PRESENT | 10983.1 | 10980.1 | 10976.6 | 10978.8 | 749.1 | 711.6 | 758.9 |
| PREVIOUS | 10892.4 | 10893.8 | 10894.9 | 10884.8 | 741.5 | 698.1 | 749.6 |
| HOURS ON | 90.7 | 86.3 | 81.7 | 94.0 | 7.6 | 13.5 | 9.3 |

| GALLONS PUMPED | | | | | |
|----------------|--------------|-----------|------------|------------|--------------|
| | K-68 BOOSTER | SLUDGE | RAW WATER | H.S. WATER | N.E. BOOSTER |
| | x 1,000 | x100 | x 1,000 | x 1,000 | x 1,000 |
| PRESENT | 31100.4 | 7278744 | 586984 | 508708 | 140913 |
| PREVIOUS | 31099.6 | 7253299 | 545268 | 469306 | 139088.0 |
| DIFFERENCE | 0.8 | 25445 | 41716 | 39402 | 1825 |
| GALLONS | 800 | 2,544,500 | 41,716,000 | 39,402,000 | 1,825,000 |

| POUNDS OF CHEMICALS USED | | |
|--------------------------|------------|-----------|
| | THIS MONTH | THIS YEAR |
| CHLORINE | 1,875 | 30,872 |
| LIME | 8,101 | 151,764 |
| ALUM | 0 | 0 |
| AMMONIA | 312 | 4,057 |
| CARBON | 220 | 3,311 |
| FLUORIDE | 951 | 12,515 |
| POLYMER | 5,672 | 75,420 |
| CUSO4 | 100 | 900 |

| TOTAL KWH | ELECTRIC METER READINGS | | | | | | | |
|--------------|-------------------------|----------|-------------|-----------|--------------|-------|--------------|--------------|
| | Plant M. | River M. | Low Lift M. | Sludge M. | Clearwell M. | Shop | K-68 Booster | N.E. Booster |
| 118883 | X120 | X 40 | X 40 | X 0 | X 40 | X0 | X0 | X0 |
| Present | 71901 | 25731 | 66435 | 96586 | 6683 | 95805 | 78280 | 3227 |
| Previous | 71486 | 25423 | 66164 | 93438 | 5775 | 92253 | 76686 | 1918 |
| Difference | 415 | 308 | 271 | 3148 | 908 | 3552 | 1594 | 1309 |
| KWH | 49800 | 12320 | 10840 | 3148 | 36320 | 3552 | 1594 | 1309 |
| Demand | 0.906 | 0.7 | 0.61 | 7.1 | 4.29 | | 4.3 | 23.028 |
| KW Dem. | 108.72 | 28 | 24.4 | 7.1 | 171.6 | 0 | 4.3 | 23.028 |

| | 2015 | | | 2014 | |
|----------------|-------------|-------------|----------------|-------------|-------------|
| | High | Low | | High | Low |
| 12/1/2015 | 45 | 30 | 12/1/2014 | 28 | 19 |
| 12/2/2015 | 48 | 34 | 12/2/2014 | 40 | 22 |
| 12/3/2015 | 49 | 28 | 12/3/2014 | 45 | 26 |
| 12/4/2015 | 54 | 27 | 12/4/2014 | 42 | 36 |
| 12/5/2015 | 52 | 36 | 12/5/2014 | 46 | 42 |
| 12/6/2015 | 54 | 35 | 12/6/2014 | 42 | 36 |
| 12/7/2015 | 57 | 29 | 12/7/2014 | 44 | 36 |
| 12/8/2015 | 56 | 36 | 12/8/2014 | 54 | 40 |
| 12/9/2015 | 63 | 40 | 12/9/2014 | 40 | 30 |
| 12/10/2015 | 61 | 42 | 12/10/2014 | 35 | 28 |
| 12/11/2015 | 65 | 38 | 12/11/2014 | 40 | 35 |
| 12/12/2015 | 64 | 42 | 12/12/2014 | 52 | 40 |
| 12/13/2015 | 62 | 45 | 12/13/2014 | 56 | 49 |
| 12/14/2015 | 46 | 40 | 12/14/2014 | 61 | 50 |
| 12/15/2015 | 61 | 41 | 12/15/2014 | 52 | 34 |
| 12/16/2015 | 41 | 30 | 12/16/2014 | 34 | 27 |
| 12/17/2015 | 34 | 27 | 12/17/2014 | 32 | 25 |
| 12/18/2015 | 43 | 23 | 12/18/2014 | 36 | 29 |
| 12/19/2015 | 52 | 27 | 12/19/2014 | 37 | 32 |
| 12/20/2015 | 56 | 46 | 12/20/2014 | 46 | 34 |
| 12/21/2015 | 56 | 31 | 12/21/2014 | 45 | 36 |
| 12/22/2015 | 55 | 30 | 12/22/2014 | 48 | 41 |
| 12/23/2015 | 56 | 35 | 12/23/2014 | 41 | 35 |
| 12/24/2015 | 51 | 34 | 12/24/2014 | 38 | 32 |
| 12/25/2015 | 44 | 27 | 12/25/2014 | 52 | 31 |
| 12/26/2015 | 52 | 34 | 12/26/2014 | 52 | 39 |
| 12/27/2015 | 34 | 29 | 12/27/2014 | 39 | 26 |
| 12/28/2015 | 30 | 24 | 12/28/2014 | 39 | 26 |
| 12/29/2015 | 30 | 22 | 12/29/2014 | 41 | 24 |
| 12/30/2015 | 34 | 23 | 12/30/2014 | 27 | 13 |
| 12/31/2015 | 40 | 26 | 12/31/2014 | 22 | 9 |
| Average | 50.2 | 32.8 | Average | 42.8 | 32.4 |

Ottawa Municipal Power Plant

MONTHLY POWER REPORT December-15

| | 2015 | | 2014 | |
|---|-------------|--------------|---------------|--------------|
| | This Month | Year to Date | This Month | Year to Date |
| KILOWATT HOURS | | | | |
| NET SELF GENERATION | -74,038.000 | 72,227.000 | -39,995.000 * | 99,362.000 |
| PURCHASED POWER: | | | | |
| SWPA | 355,000 | 2,877,000 | 74,500 | 1,362,400 |
| KMEA | 7,196,668 | 91,193,431 | 9,162,300 | 120,349,445 |
| KCPL | 4,117,232 | 40,769,094 | 3,183,346 | 30,129,334 |
| SUB-TOTAL ENERGY | 11,594,862 | 134,911,752 | 12,380,151 | 151,940,541 |
| TOTAL ENERGY (after sales) ¹ | 11,594,862 | 134,911,752 | 12,380,151 | 151,940,541 |
| INCREASE / DECREASE ² (2015 VS. 2014) | -6.34% | -11.21% | | |
| KILOWATT LOAD | | | | |
| PEAK DEMAND | 19.6 | 37.700 | 21.2 | 37.4 |
| TIME OF PEAK | 6:00 PM | 5:00 PM | 6:00 PM | 3:00 PM |
| DAY OF PEAK | 11/30/2015 | 7/13/2015 | 12/1/2014 | 8/25/2014 |
| ENERGY SALES | | | | |
| KCPL (supplemental) KWh | 0 | | 0 | |
| WRI / Other (supplemental) KWh | 0 | | 0 | |
| Nearman Sales KWh ³ | 0 | | 0 | 150,000 |
| TOTAL SALES (KWh) | 0 | | 0 | |

¹Total energy demand of city

²After Generated Sales

³Non-Generated Sales

*negative net generation = station power exceeded gross generation.

| OTTAWA LIBRARY | | | | | | |
|---|-------------------|-------------------|-------------------|-----------------|-----------------|-------------------|
| General Fund | | | | | | |
| Receipts & Expenditures | | | | | | |
| 12/31/2015 | | | | | | |
| Budget Code | Budget Amount | Current Month | Yr to Date Actual | Encumb. paid in | YTD % of Budget | Budget Balance |
| Beginning Cash Balance | 27,601.00 | 184,371.64 | 27,601.38 | | | |
| Receipts: | | | | | | |
| 301.00 City Appropriations | 818,858.00 | 7,606.83 | 818,858.00 | | 100.00% | 0.00 |
| 303.00 Interest | 400.00 | 13.50 | 264.98 | | 66.25% | -135.02 |
| 304.00 State Aid | 4,513.00 | 0.00 | 4,160.40 | | 92.19% | -352.60 |
| 305.00 NEKLS Grants | 27,815.00 | 0.00 | 27,815.00 | | 100.00% | 0.00 |
| 306.00 Fines and Fees | 14,000.00 | 1,189.15 | 15,814.12 | | 112.96% | 1,814.12 |
| 307.00 Copiers & Computers Income | 7,000.00 | 586.44 | 7,500.03 | | 107.14% | 500.03 |
| 308.00 Endowment Interest | 8,400.00 | 0.00 | 0.00 | | 0.00% | -8,400.00 |
| 313.00 Gift | 200.00 | 5,000.00 | 5,000.00 | | 2500.00% | 4,800.00 |
| 316.00 Programs Income | 0.00 | 55.00 | 112.00 | | 0.00% | 112.00 |
| 321.00 General Fund Reserve | 0.00 | 0.00 | 0.00 | | 0.00% | 0.00 |
| 328.00 Erate Reimb | 1,152.00 | 0.00 | 1,466.27 | | 127.28% | 314.27 |
| 333.00 Transfers In (Capital, FOL, & Endowment) | 0.00 | 500.00 | 500.00 | | 0.00% | 500.00 |
| 334.00 Donations | 0.00 | 0.00 | 25.00 | | 0.00% | 25.00 |
| 341.00 Grant/Fundraising | 500.00 | 4,272.01 | 15,916.63 | | 3183.33% | 15,416.63 |
| 343.00 KS Humanities Council TalkGrant | 0.00 | 0.00 | 0.00 | | 0.00% | 0.00 |
| 345.00 Snack Machine Income | 0.00 | 277.88 | 3,140.30 | | 0.00% | 3,140.30 |
| 351.00 Community Reads | 0.00 | 1,703.26 | 3,392.76 | | 0.00% | 3,392.76 |
| Total Income | 910,439.00 | 21,204.07 | 903,965.49 | 0.00 | 99.29% | -6,473.51 |
| Beginning Balances Restricted Funds: | | | | | | |
| Asa Albert Smith Memorial | 33.80 | | | | | |
| Clarence W. Koch | 50.00 | | | | | |
| Asher Leonard | 100.00 | | | | | |
| Wish List Fundraiser | 2,066.67 | | | | | |
| Webber (Children's) | 400.00 | | | | | |
| BBBS | 3,701.64 | | | | | |
| Patry | 25.00 | | | | | |
| EXPENDITURES: | | | | | | |
| Salaries, etc. | | | | | | |
| 401.00 Staff Salaries | 519,329.00 | 61,383.61 | 488,462.39 | | 94.06% | 30,866.61 |
| 402.00 Social Security | 39,730.00 | 4,332.39 | 33,900.36 | | 85.33% | 5,829.64 |
| 403.00 KPERS | 42,381.00 | 4,464.78 | 40,459.60 | | 95.47% | 1,921.40 |
| 404.00 Employee Insurance | 57,229.00 | 4,200.15 | 48,763.38 | | 85.21% | 8,465.62 |
| 405.00 Unemployment | 519.00 | 43.20 | 459.22 | | 88.48% | 59.78 |
| 407.00 Workers Comp Ins | 3,300.00 | 0.00 | 3,643.00 | | 110.39% | -343.00 |
| 410.00 Off. & Dir/Emp Prac Insurance | 2,000.00 | 0.00 | 1,618.00 | | 80.90% | 382.00 |
| Subtotal Salaries, etc. | 664,488.00 | 74,424.13 | 617,305.95 | 0.00 | 92.90% | 47,182.05 |
| Materials and Programs | | | | | | |
| 501.00 Juvenile Books | 25,000.00 | 5,422.50 | 25,689.76 | | 102.76% | -689.76 |
| 502.00 Adult Books | 51,560.00 | 7,566.74 | 50,016.70 | | 97.01% | 1,543.30 |
| 503.00 Periodicals | 6,600.00 | 652.98 | 5,988.07 | | 90.73% | 611.93 |
| 506.00 A.V. Materials | 18,840.00 | 4,526.14 | 19,799.01 | | 105.09% | -959.01 |
| 507.00 Programs | 3,000.00 | 457.90 | 2,654.68 | | 88.49% | 345.32 |
| 513.00 Gift | 0.00 | 250.50 | 651.10 | | 0.00% | -651.10 |
| 518.00 Electronic Access Expenditures | 1,200.00 | 28.69 | 1,878.93 | | 156.58% | -678.93 |
| 520.00 A.V. Materials-Children | 6,000.00 | 3,285.08 | 6,784.65 | | 113.08% | -784.65 |
| 533.00 Transfers Out | 0.00 | 10,000.00 | 10,000.00 | | 0.00% | 0.00 |
| 541.00 Grant Expenditures | 950.00 | 44.95 | 887.98 | | 0.00% | 62.02 |
| 544.00 6X6 Early Lit Grt Exp-materials | 0.00 | 26.95 | 683.30 | | 0.00% | -683.30 |
| 546.00 Wish List Fund Expenses | 0.00 | 859.20 | 1,621.44 | | 0.00% | 0.00 |
| 549.00 Furn & Eq-Walmart Career Grant | 0.00 | 0.00 | 2,159.97 | | 0.00% | 0.00 |
| 550.00 Furn&Equip Fr Cty Community Foundation | 0.00 | 0.00 | 4,983.45 | | 0.00% | 0.00 |
| 551.00 Community Reads Expense | 0.00 | 1,538.89 | 2,980.10 | | 0.00% | 0.00 |
| Subtotal Materials and Programs | 113,150.00 | 34,660.52 | 136,779.14 | 0.00 | 120.88% | -23,629.14 |

Prairie Paws Animal Shelter, Inc.

End of Month – December 2015 RECAP

December adoptions increased in 2015 (74) compared to 2014 (60). 74 animals found their forever home with 3 being returned to their owner. We are very excited to announce that 8 long termers (over 100 days at the shelter) were adopted in December.

December fundraising mostly consisted of our year end direct mail campaign. To date we have raised \$10,448 through this mail piece. We participated in the Christmas parade and were honored to have won 1st prize and grand prize. We held our annual Santa Paws event where the community could come to the shelter and have their pet's picture taken with Santa. We had 120 pets and raised \$1,100 through the pictures, bake sale and raffle. This is an increase from 2014 of around 80 pets and \$900.

We continued our Name Your Price microchip event special through the Subaru grant. We were able to microchip 200 animal through this program. We held a training session for our employees on pheromone behavior training and how to incorporate this in a shelter environment. We continue to strive to grow animal care staff on enriching and behavior modification for our shelter animals. PPAS participated in the Blue Buffalo Home for the Holiday promotion. This partnership allowed us national marketing on our adoptable animals. We also participated in the Best Friends Bring Joy to Your promotion where the adoption fee for all of our senior dogs was reduced to \$25. We were able to adopt out all 5 of our senior dogs through this partnership. We had a very generous donor step up and sponsor 17 of our cats to help them find their forever homes. We began issuing dog city tags and will continue this through February 15th.

PPAS was awarded a \$2,000 grant from Share the Love to cover the cost of transfers from other kill shelters. We will strategically use these funds to pull homeless dogs when our population is low. We were awarded the 9 Lives grant of 5 pallets of cat food.

Total revenue for December was \$56,554. Fundraising was \$34,551. Program revenue including adoptions, microchips, grooming and other fees totaled \$10,596. Merchandise revenue was \$2,001 and Dog License revenue was \$838. Total expenses (operating plus interest expense) for the month was \$67,440, which related primarily to fixed and quasi-fixed expenses of payroll, utilities, insurance, depreciation and animal expense. Overall for the month of December, we had cash operating loss of (\$6,430). Year to date we have a cash operating income of \$61,559.

We continue to have a facility free of major disease and that is pleasing to customers that visit the shelter.

Volunteer Hours:

December 2015 Total Volunteer Hours Worked = 555

Total YTD volunteer hours worked = 6,263

Total registered and active volunteers = 342

Organizations supporting PPAS through volunteerism and partnerships:

- COF/LakeMary
- Vintage Park/ Ottawa Retirement Village
- USD #290 Work Study Program
- Franklin County Court System – community service hours
- Communities In School

Prairie Paws Animal Shelter, Inc.

End of Month – December 2015 RECAP

- Ottawa University
- OHS Honor Society

Community Outreach:

1. We are continuing to work with the community to provide food when we can to help them through the month if they need assistance feeding their pet.
2. Continue to take animals to Petco for the purpose of adopting more animals in the community.
3. Partnering with COF to provide job and volunteer opportunities for their clients
4. We partner with Community in Schools to provide a bi-monthly program to teach children about pet care and responsibility.

December Shelter Intake Numbers:

- Total YTD Intakes: 861
- City of Ottawa (not counting Ottawa ACO) is 10% of the YTD Intake Total
- Ottawa ACO is 28% of the YTD Total
- Franklin County is 20% of the YTD Intake Total
- Primary Intake Area in December was the City of Ottawa/Ottawa ACO.
- Total Intake for the Month of December: 54
- City of Ottawa/Ottawa ACO was 18% of total intakes for the month of December
- Franklin County was 6% of total intakes for the month of December.

ADOPTIONS for the month of December 2015–

- Total Adoptions Month of December =74
- Returned to Owner = 3
- YTD Transferred other Shelters or Rescues =4
- End of Month Headcount in Shelter = 68

Thank you for the opportunity to share this report with the commission. Please let us know if you have any questions.

Respectfully submitted,

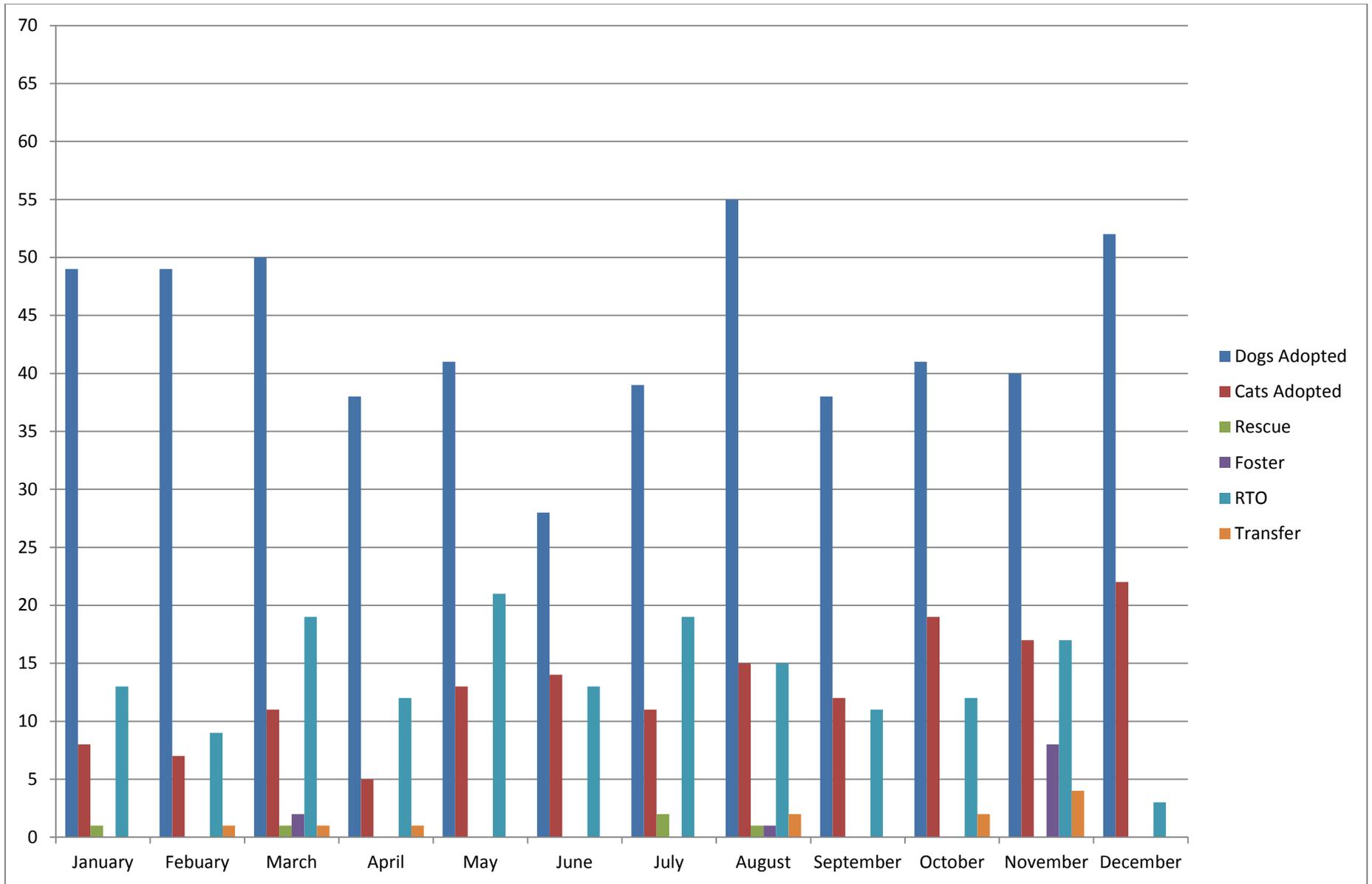
Melissa Reed

Executive Director

Prairie Paws Animal Shelter, Inc. - www.prairiepaws.org

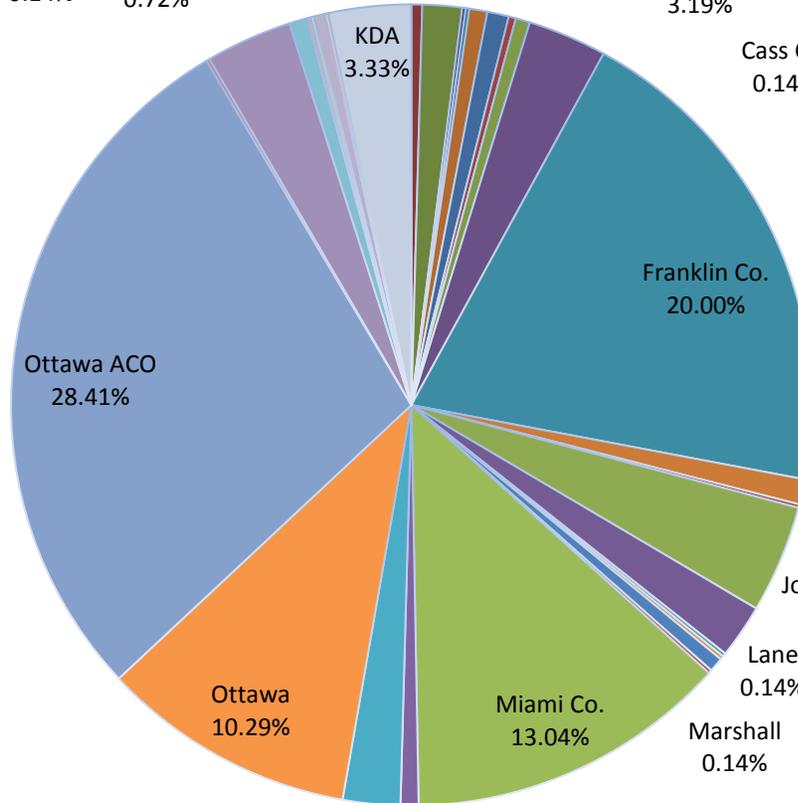
melissa.reed@prairiepaws.org

OFC: (785) 242-2967/Cell: (785) 248-3454



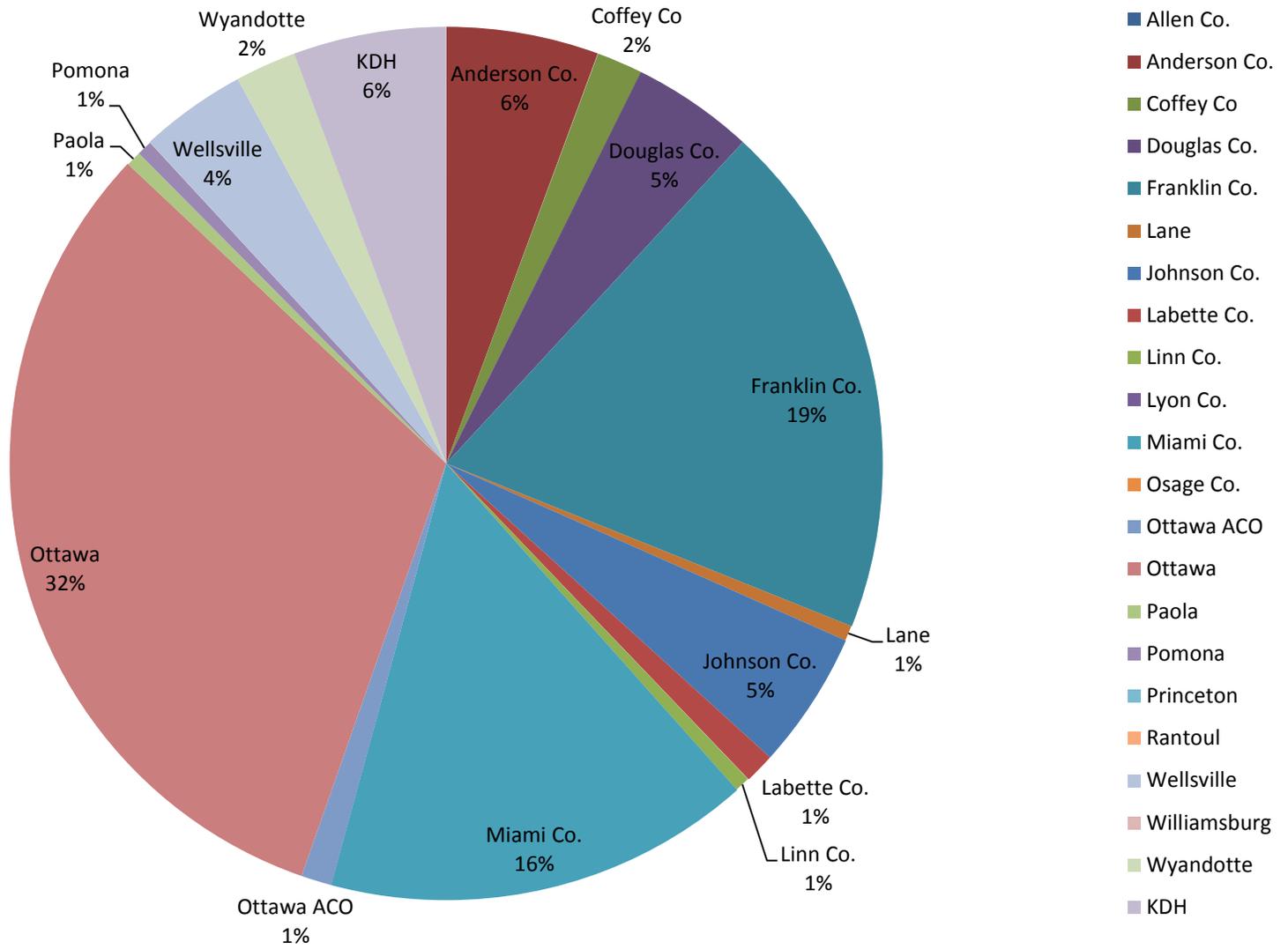
2015 YTD Dog Intake

Born at PPAS 0.00%
 Pomona 3.48%
 Riley 0.14%
 Anderson Co. 1.59%
 Bourbon Co. 0.14%
 Coffey 0.58%
 Cherokee 0.87%
 Clay Co. 0.29%
 Paola 0.14%
 Princeton 0.72%
 Shawnee 0.14%
 Allen 0.43%
 Chautauqua 0.72%
 Douglas Co. 3.19%
 Wellsville 0.43%



- Born at PPAS
- Allen
- Anderson Co.
- Bourbon Co.
- Cass Co.
- Chautauqua
- Cherokee
- Clay Co.
- Coffey
- Douglas Co.
- Franklin Co.
- Greenwood Co. (Eureka)
- Jackson
- Jefferson
- Johnson Co.
- Labette Co.
- Lane
- Leavenworth

Cat Intake YTD 2015



Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|---|--------------|--------------|--------------|--------------|--------------|-----------------|
| Ordinary Income/Expense | | | | | | |
| Income | | | | | | |
| 4 - Contributed support | | | | | | |
| 40 - Unrestricted | | | | | | |
| 4010 - Indiv/business cont. (unrest) | | | | | | |
| 4015 - Contributions - unrestricted | 27,395.26 | 92,127.26 | 215,868.99 | 175,441.80 | 215,287.29 | 134,025.00 |
| 4020 - Contributions-direct mail | 0.00 | 0.00 | 0.00 | 22,355.05 | 33,519.92 | 60,000.00 |
| 4030 - Memorials & bequests | 6,148.00 | 6,992.50 | 5,523.30 | 10,917.01 | 10,856.00 | 12,000.00 |
| 4040 - Gifts in kind | | | | | | |
| 4041 - Gifts in Kind - Goods | 4,713.00 | 7,420.29 | 2,000.55 | 0.00 | 0.00 | 120,000.00 |
| 4042 - Gifts in Kind - Services | 0.00 | 2,190.00 | 110.00 | 0.00 | 0.00 | 50,400.00 |
| 4044 - Gifts in Kind - Bow Meow | 0.00 | 75.00 | 22,242.00 | 0.00 | 0.00 | 0.00 |
| 4045 - Gifts in Kind - Run For Ben | 0.00 | 476.80 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 4040 - Gifts in kind | 4,713.00 | 10,162.09 | 24,352.55 | 0.00 | 259,663.21 | 170,400.00 |
| 4050 - Foundations/trusts | 11,692.91 | 8,852.40 | 9,080.08 | 9,391.96 | 11,676.08 | 10,000.00 |
| 4060 - Grants | 0.00 | 0.00 | 317.44 | 0.00 | 40,500.00 | 20,000.00 |
| 4010 - Indiv/business cont. (unrest) - Other | -49.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 4010 - Indiv/business cont. (unrest) | 49,899.29 | 118,134.25 | 255,142.36 | 218,105.82 | 311,839.29 | 406,425.00 |
| 4100 - Fundraising(unrestricted) | | | | | | |
| 4105 - Spayghetti dinner | 7,126.25 | 7,113.00 | 6,259.53 | 0.00 | 0.00 | 0.00 |
| 4110 - T-shirt donations | 1,157.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4115 - Tails on trails | 9,132.34 | 5,428.69 | 5,769.06 | 0.00 | 0.00 | 0.00 |
| 4120 - Shelter Birthday | 0.00 | 0.00 | 0.00 | 5,514.99 | 6,350.40 | 12,500.00 |
| 4125 - Circle of Compassion | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 |
| 4150 - Recycling | 533.09 | 1,245.35 | 162.50 | 0.00 | 0.00 | 0.00 |
| 4155 - Bow Meow | 27,266.00 | 37,516.70 | 46,312.88 | 51,119.95 | 42,501.00 | 75,000.00 |
| 4165 - Toenail Clipping | 1,325.50 | 1,241.11 | 65.00 | 103.57 | 0.00 | 0.00 |
| 4166 - Pooch Plunge | 0.00 | 1,094.46 | 1,008.00 | 425.00 | 771.00 | 850.00 |
| 4167 - Run For Ben | 0.00 | 2,737.40 | 1,876.45 | 1,949.00 | 2,327.00 | 5,000.00 |
| 4168 - Calendar | 0.00 | 2,329.53 | 457.10 | 0.00 | 0.00 | 0.00 |
| 4169 - Cookbook | 0.00 | 1,051.20 | 120.31 | 7.50 | 0.00 | 0.00 |
| 4175 - Miscellaneous fundraising | 5,650.28 | 6,872.92 | 2,738.85 | 4,329.09 | 1,857.35 | 14,700.00 |
| Total 4100 - Fundraising(unrestricted) | 52,190.46 | 66,630.36 | 66,769.68 | 63,449.10 | 53,806.75 | 108,050.00 |

Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|---|--------------|--------------|--------------|--------------|--------------|-----------------|
| Total 40 - Unrestricted | 102,089.75 | 184,764.61 | 321,912.04 | 281,554.92 | 365,646.04 | 514,475.00 |
| 42 - Restricted funds | | | | | | |
| 4205 - Contributions - building | 32,381.90 | 341.37 | 300.00 | 300.00 | 300.00 | 300.00 |
| 4210 - Contributions S&N | 2,700.95 | 9,612.50 | 6,003.09 | 2,410.20 | 500.00 | 2,400.00 |
| 4250 - Fundraising (restricted) | | | | | | |
| 4270 - Gerbil | 1,807.21 | 432.02 | 599.26 | 0.00 | 0.00 | 0.00 |
| 4280 - Miscellaneous fundraising (res) | 0.00 | 57,394.69 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 4250 - Fundraising (restricted) | 1,807.21 | 57,826.71 | 599.26 | 0.00 | 800.00 | 0.00 |
| 4285 - WAGS | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 42 - Restricted funds | 36,890.06 | 68,080.58 | 6,902.35 | 2,710.20 | 800.00 | 2,700.00 |
| Total 4 - Contributed support | 138,979.81 | 252,845.19 | 328,814.39 | 284,265.12 | 366,446.04 | 517,175.00 |
| 4540 - Local government support | | | | | | |
| 4551 - Anderson County | 4,852.00 | 3,312.00 | 2,196.00 | 6,552.00 | 6,749.00 | 6,749.00 |
| 4553 - City of Ottawa | 45,540.00 | 45,540.00 | 45,540.00 | 48,748.37 | 50,388.42 | 50,511.00 |
| 4554 - City of Pomona | 3,500.00 | 0.00 | 3,500.00 | 3,000.00 | 1,000.00 | 3,600.00 |
| 4557 - City of Richmond | 0.00 | 0.00 | 0.00 | 500.00 | 100.00 | 100.00 |
| 4559 - City of Wellsville | 1,296.00 | 0.00 | 3,024.00 | 0.00 | 1,000.00 | 1,000.00 |
| 4560 - City of Williamsburg | 720.00 | 976.00 | 945.00 | 0.00 | 0.00 | 540.00 |
| 4561 - City of Baldwin | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4563 - Franklin County | 37,584.88 | 37,585.00 | 37,585.00 | 39,798.75 | 40,000.00 | 40,000.00 |
| 4565 - Miami County | 4,500.00 | 4,500.00 | 4,500.00 | 0.00 | 4,635.00 | 4,625.00 |
| 4780 - Other Cities/Counties | 0.00 | 150.00 | 0.00 | 0.00 | 135.00 | 0.00 |
| Total 4540 - Local government support | 97,992.88 | 92,113.00 | 97,290.00 | 98,599.12 | 104,007.42 | 107,125.00 |
| 5 - Earned revenues | | | | | | |
| 5180 - Program service fees | | | | | | |
| 5181 - Adoption PPAS | 83,071.56 | 112,686.29 | 59,134.51 | 73,959.77 | 83,319.25 | 77,770.00 |
| 5182 - Microchip contribution | 0.00 | 3,350.25 | 1,042.13 | 2,085.36 | 4,700.44 | 1,650.00 |
| 5183 - Adoption HAHS | 3,853.00 | 3,253.82 | 4,216.00 | 2,428.16 | 0.00 | 0.00 |
| 5184 - Grooming | 994.00 | 2,485.66 | 501.26 | 505.58 | 12,815.94 | 0.00 |
| 5185 - Drop-off contribution | 11,943.00 | 18,211.50 | 8,185.01 | 4,419.00 | 5,194.00 | 34,000.00 |
| 5186 - Training | 20.00 | 0.00 | 0.00 | 0.00 | 1,920.00 | 0.00 |

Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 5187 · S/N Contributions - Community | 0.00 | 0.00 | 225.00 | 0.00 | 0.00 | 0.00 |
| 5188 · Cremation & disposal fees | 0.00 | 0.00 | 374.99 | 423.68 | 1,708.44 | 0.00 |
| 5189 · Reclaim fees | 2,517.00 | 3,602.90 | 1,465.00 | 835.00 | 5,100.47 | 5,800.00 |
| Total 5180 · Program service fees | 102,398.56 | 143,590.42 | 75,143.90 | 84,656.55 | 114,758.54 | 119,220.00 |
| 5820 · Merchandise Sales | 677.14 | 2,077.67 | 2,137.86 | 830.15 | 22,143.68 | 600.00 |
| 5830 · Dog Licence Contributions | 0.00 | 0.00 | 64.00 | 10,452.00 | 11,141.00 | 10,000.00 |
| Total 5 · Earned revenues | 103,075.70 | 145,668.09 | 77,345.76 | 95,938.70 | 148,043.22 | 754,120.00 |
| 6710 · Interest income | | | | | | |
| 6720 · Interest income (Restricted) | 363.71 | 20.10 | 9.75 | 0.00 | 0.00 | 0.00 |
| 6721 · Interest Income (Unrestricted) | 61.09 | 351.08 | 67.17 | 2.81 | 7.59 | 0.00 |
| Total 6710 · Interest income | 424.80 | 371.18 | 76.92 | 2.81 | 7.59 | 0.00 |
| 6810 · Unrealized gain(loss) - invest | 297.01 | 437.38 | 593.26 | 535.72 | -475.56 | 0.00 |
| 6902 · Proceed from the sale of Land | 45,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6905 · Proceeds from Investments | 0.00 | 0.00 | 167.59 | 0.00 | 0.00 | 0.00 |
| Total Income | 385,770.20 | 491,434.84 | 504,287.92 | 479,341.47 | 618,028.71 | 754,120.00 |
| Gross Profit | 385,770.20 | 491,434.84 | 504,287.92 | 479,341.47 | 618,028.71 | 754,120.00 |
| Expense | | | | | | |
| 7200 · Payroll expenses | | | | | | |
| 7250 · Wages & salary | | | | | | |
| 7251 · Wages | 21,000.00 | 62,916.01 | 80,606.22 | 108,641.59 | 139,205.24 | 136,680.00 |
| 7252 · Hourly wages | 109,348.55 | 137,810.81 | 161,312.52 | 155,283.50 | 158,275.60 | 154,128.00 |
| 7253 · Insurance stipend | 1,800.24 | 1,869.48 | 1,800.24 | 1,800.24 | 1,592.52 | 0.00 |
| 7254 · Authorized time off | 1,658.63 | 1,197.50 | 2,956.51 | 3,065.79 | 2,246.92 | 0.00 |
| 7256 · Insurance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7255 · Wages - Employment Service | 0.00 | 0.00 | 47,525.25 | 0.00 | 0.00 | 0.00 |
| 7257 · Overtime Wages | 2,435.69 | 1,415.94 | 582.00 | 113.65 | 8.09 | 0.00 |
| 7256 · Insurance | | | | 0.00 | 0.00 | 0.00 |
| 7258 · Sunday Bonus Wages | 1,996.03 | 3,027.38 | 1,400.87 | 0.00 | 0.00 | 0.00 |
| 7259 · Grooming Commission | 518.55 | 1,456.95 | 98.45 | 0.00 | 6,924.37 | 0.00 |
| Total 7250 · Wages & salary | 138,757.69 | 209,694.07 | 296,282.06 | 268,904.77 | 308,252.74 | 290,808.00 |
| 7260 · Payroll Taxes | | | | | | |

Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 7261 · FICA taxes | 10,614.95 | 15,752.90 | 18,413.35 | 20,431.98 | 23,472.11 | 22,683.00 |
| 7262 · State unemployment | 3,147.26 | 1,772.60 | 7,114.94 | 6,414.57 | 8,764.06 | 10,178.00 |
| 7263 · Workers compensation | 1,522.50 | 3,505.00 | 6,185.50 | 11,396.25 | 6,394.25 | 9,347.00 |
| Total 7260 · Payroll Taxes | 15,284.71 | 21,030.50 | 31,713.79 | 38,242.80 | 38,630.42 | 42,208.00 |
| 7200 · Payroll expenses - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 7200 · Payroll expenses | 154,042.40 | 230,724.57 | 327,995.85 | 307,147.57 | 346,883.16 | 333,016.00 |
| 7500 · Other Personnel Expenses | | | | | | |
| 7510 · Accounting fees | 4,172.50 | 4,110.00 | 4,337.50 | 4,330.00 | 4,385.00 | 9,850.00 |
| 7511 · Professional fees - other | 0.00 | 385.00 | 2,580.00 | 350.00 | 2,428.58 | 50,400.00 |
| Total 7500 · Other Personnel Expenses | 4,172.50 | 4,495.00 | 6,917.50 | 4,680.00 | 6,813.58 | 60,250.00 |
| 8100 · Non-personnel expenses | | | | | | |
| 8110 · Office supplies | 1,150.87 | 6,527.09 | 5,207.57 | 2,448.25 | 1,970.66 | 6,000.00 |
| 8115 · Telephone | | | | | | |
| 8118 · Internet related | 1,129.61 | 1,118.59 | 791.19 | 1,438.07 | 1,649.49 | 1,800.00 |
| 8115 · Telephone - Other | 1,759.47 | 2,032.54 | 2,746.17 | 2,665.89 | 2,910.69 | 2,880.00 |
| Total 8115 · Telephone | 2,889.08 | 3,151.13 | 3,537.36 | 4,103.96 | 6,530.84 | 4,680.00 |
| 8120 · Postage and delivery | 184.80 | 256.89 | 383.88 | 1,816.93 | 1,299.10 | 1,700.00 |
| 8130 · Printing and reproduction | 7.52 | 567.89 | 0.00 | 1,264.98 | 1,242.71 | 300.00 |
| 8135 · Direct Mail Expenses | 0.00 | 0.00 | 0.00 | 4,640.83 | 13,743.40 | 20,200.00 |
| 8140 · Equipment rental | 0.00 | 0.00 | 0.00 | 907.15 | 3,829.86 | 4,109.00 |
| 8150 · Computer and IT Related | 0.00 | 0.00 | 6,994.99 | 9,722.22 | 20,034.16 | 7,100.00 |
| Total 8100 · Non-personnel expenses | 4,232.27 | 10,503.00 | 16,123.80 | 24,904.32 | 40,149.23 | 44,089.00 |
| 8200 · Occupancy Expenses | | | | | | |
| 8205 · Repairs & maintenance | 2,994.13 | 23,617.52 | 19,068.58 | 11,378.44 | 14,903.39 | 10,980.00 |
| 8210 · Utilities | 25,907.45 | 25,244.80 | 30,371.95 | 30,247.02 | 29,392.35 | 32,400.00 |
| 8220 · Insurance - non employee | 9,044.50 | 9,492.00 | 9,643.50 | 11,506.50 | 9,865.00 | 9,867.00 |
| Total 8200 · Occupancy Expenses | 37,946.08 | 58,354.32 | 59,084.03 | 53,131.96 | 54,160.74 | 53,247.00 |
| 8300 · Travel & meeting expenses | | | | | | |
| 8310 · Training | 0.00 | 0.00 | 0.00 | 29.26 | 86.55 | 0.00 |
| 8315 · Staff development/meetings | 230.85 | 2,580.88 | 487.74 | 225.74 | 4,463.12 | 850.00 |
| 8320 · Automobile expense | 794.11 | 1,625.19 | 1,594.56 | 974.46 | 999.17 | 1,200.00 |

Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|---|--------------|--------------|--------------|--------------|--------------|-----------------|
| Total 8300 · Travel & meeting expenses | 1,024.96 | 4,206.07 | 2,082.30 | 1,229.46 | 5,548.84 | 2,050.00 |
| 8400 · Depreciation & amortization exp | | | | | | |
| 8450 · Depreciation & amortization exp | 53,012.00 | 53,783.00 | 49,492.00 | 53,772.00 | 0.00 | 0.00 |
| Total 8400 · Depreciation & amortization exp | 53,012.00 | 53,783.00 | 49,492.00 | 53,772.00 | 0.00 | 0.00 |
| 8500 · Animal expenses | | | | | | |
| 8510 · Animal expenses | 3,198.17 | 7,830.09 | 4,092.81 | 3,816.86 | 19,713.36 | 24,000.00 |
| 8511 · Euthanasia expense | 499.93 | 905.68 | 682.75 | 165.55 | 717.98 | 1,800.00 |
| 8512 · Food expense | 6,435.60 | 4,803.50 | 94.71 | 85.82 | 276.70 | 90,000.00 |
| 8513 · Vet expense | 11,109.35 | 23,388.14 | 18,916.99 | 12,795.52 | 4,655.32 | 6,000.00 |
| 8514 · Spay/neuter expense | 27,891.56 | 38,726.69 | 39,904.35 | 27,298.41 | 13,779.00 | 26,400.00 |
| 8515 · Supplies | 6,496.60 | 4,453.12 | 3,402.59 | 835.47 | 274.81 | 30,300.00 |
| 8516 · Cleaning supplies | 4,183.84 | 4,153.64 | 8,712.12 | 811.20 | 2,257.71 | 3,000.00 |
| 8517 · Microchip Supplies | 0.00 | 2,247.75 | 749.25 | 1,018.98 | 8,289.83 | 750.00 |
| 8518 · Grooming Supplies | 0.00 | 9.13 | 216.06 | 0.00 | 557.61 | 0.00 |
| 8519 · Training Expense | 0.00 | 0.00 | 0.00 | 0.00 | 1,219.60 | 0.00 |
| 8520 · Cremation Expense | 0.00 | 0.00 | 0.00 | 0.00 | 1,388.53 | 0.00 |
| Total 8500 · Animal expenses | 59,815.05 | 86,517.74 | 76,771.63 | 46,827.81 | 53,130.45 | 182,250.00 |
| 8530 · Fundraising expenses | | | | | | |
| 8531 · Fundraisng - general | 2,204.23 | 2,473.63 | 1,899.79 | 1,442.30 | 4,715.79 | 1,200.00 |
| 8532 · Spaygetti dinner | 1,041.58 | 1,479.85 | 1,416.90 | 0.00 | 0.00 | 0.00 |
| 8534 · Fundraing TOT | 3,282.17 | 1,579.35 | 3,243.80 | 0.00 | 0.00 | 0.00 |
| 8535 · Fundraing - Bow Meow | 5,698.09 | 10,313.32 | 31,114.42 | 6,749.13 | 11,343.26 | 10,000.00 |
| 8538 · Gerbil Fund | 1,929.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8539 · Fundraising - Run For Ben | 0.00 | 966.33 | 606.03 | 600.00 | 839.19 | 1,000.00 |
| 8540 · Fundraising - Pooch Plunge | 0.00 | 11.99 | 123.93 | 0.00 | 0.00 | 0.00 |
| 8541 · Fundraising-Calendar | 0.00 | 1,712.95 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8542 · Fundraising-Cookbook | 0.00 | 898.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8544 · Fundraising-Shelter Birthday | 0.00 | 0.00 | 0.00 | 2,049.27 | 1,598.82 | 2,500.00 |
| Total 8530 · Fundraising expenses | 14,155.32 | 19,435.92 | 38,404.87 | 10,840.70 | 18,497.06 | 14,700.00 |
| 8600 · Miscellaneous | | | | | | |
| 8605 · Advertising | 1,869.50 | 2,253.17 | 1,622.11 | 368.02 | 209.21 | 55.00 |
| 8610 · Bank service charges | 2,595.36 | 4,821.76 | 4,677.12 | 2,806.99 | 4,608.19 | 2,400.00 |
| 8615 · Dues and subscriptions | 195.00 | 565.00 | 356.00 | 481.20 | 831.35 | 1,200.00 |

Prairie Paws Animal Shelter Inc
Profit Loss Budget Comparison
 January 2011 through December 2015

| | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | Jan - Dec 15 | 2015 Budget YTD |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| 8650 · Licenses and permits | 325.00 | 285.00 | 415.00 | 485.00 | 590.00 | 1,200.00 |
| 8660 · Miscellaneous | 102.90 | 2,304.92 | 162.46 | 1,200.48 | 1,415.23 | 600.00 |
| 8675 · Taxes | -524.18 | 73.00 | 95.17 | 49.00 | 49.00 | 50.00 |
| 8600 · Miscellaneous - Other | 0.00 | 0.00 | 25.00 | 0.00 | 0.00 | 0.00 |
| Total 8600 · Miscellaneous | 4,563.58 | 10,302.85 | 7,352.86 | 5,390.69 | 7,702.98 | 5,505.00 |
| Total Expense | 332,964.16 | 478,322.47 | 584,224.84 | 507,924.51 | 539,416.88 | 695,107.00 |
| Net Ordinary Income | 52,806.04 | 13,112.37 | -79,936.92 | -28,583.04 | 78,611.83 | 59,013.00 |
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| 6700 · Other Income | 0.00 | 0.00 | 0.00 | 3,575.87 | 0.00 | 0.00 |
| Total Other Income | 0.00 | 0.00 | 0.00 | 3,575.87 | 0.00 | 0.00 |
| Other Expense | | | | | | |
| 9700 · Other Expenses | | | | | | |
| 9800 · Fixed asset purchases | | | | | | |
| 9805 · Capital purchases - building | 0.00 | 1,600.00 | 0.00 | 0.00 | 0.00 | 15,600.00 |
| 9810 · Capital purchases - equipment | 0.00 | 0.00 | 10,338.93 | 6,118.78 | 152.12 | 0.00 |
| 9800 · Fixed asset purchases - Other | 911.88 | 1,692.15 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total 9800 · Fixed asset purchases | 911.88 | 3,292.15 | 10,338.93 | 6,118.78 | 152.12 | 15,600.00 |
| 9910 · Interest expense | 16,351.62 | 14,347.00 | 14,302.55 | 13,757.98 | 16,219.93 | 14,400.00 |
| Total 9700 · Other Expenses | 17,263.50 | 17,639.15 | 24,641.48 | 19,876.76 | 16,372.05 | 30,000.00 |
| Total Other Expense | 17,263.50 | 17,639.15 | 24,641.48 | 19,876.76 | 16,372.05 | 30,000.00 |
| Net Other Income | -17,263.50 | -17,639.15 | -24,641.48 | -16,300.89 | -16,372.05 | -30,000.00 |
| Net Income | 35,542.54 | -4,526.78 | -104,578.40 | -44,883.93 | 62,239.78 | 29,013.00 |

AIRPORT ADVISORY BOARD MEETING
Meeting Minutes
December 8, 2015
Ottawa Municipal Airport (KOWI)

Chairman Jack Miller called the meeting to order.

Board Members Present: Jack Miller, Gene Ramsey, Jen Sharp, Bud Gollier and Robert Bowers.

Others Present: Robin Flager, Hawkeye Helicopter; Donyell Wolfe and Glora Mathews, City of Ottawa

There were no public comments.

Chairman Miller welcomed new Board member Robert Bowers. Robert gave a few details about his background and interests.

On a motion by Bud Gollier and second by Gene Ramsey, the agenda was approved as presented.

On a motion by Jen Sharp and second by Gene Ramsey, the November 10, 2015 Meeting minutes were approved as presented.

Explorer Post Subcommittee Update - Jen Sharp

- Still need to elect a new president.
- Having great guest speakers.
- Will have a field trip to Wichita late winter or early spring.
- The plane they've been repairing is almost finished.

FBO Update – Robin Flager

- Reviewed monthly report: Fuel sales were down over last year but take-offs and landings were both up.
- Will probably be spring before they get the big helicopter.

Airport Day 2016 - Chairman Miller

- Chairman Miller reported he had contacted the Wichita chapter of the Women's 99 group but hasn't heard anything back.
- Chairman Miller also reported the Commemorative Air Force would be the same price they quoted for last year and we would need to guarantee rides. He will get the prices.
- Model plane group will have a booth again this year.

- Greg Sutterly will have aerobatic box open
- Vietnam Vets will have a booth again this year.

LeMaster Memorial Update

- After a short discussion about placement of the new windsock, Gene Ramsey made a motion to place it at the current windsock location. Second by Bud Gollier, Motion carried.
- Michael Haeffele and Glora Mathews did some research and found out Tony was the airport manager for 10 years. This will be included on the memorial plaque.

Master Plan – Glora Mathews for Michael Haeffele

- Master Plan RFQ approved by FAA. The next step is to select a firm after bids are received. They will meet with this Board.

Pending Items – Board

- Drop off Site for Christmas Toy Drive – not enough time to plan this year. Will discuss again next year.

Open Discussion – none

The next regularly scheduled meeting will be held January 12, 2016 – 5:00 pm.

The meeting adjourned at 5:44 pm on a motion by Bud Gollier, second by Gene Ramsey, with approval by the Board.

Glora Mathews, Recorder

Approved by the Board on January 12, 2016

Ottawa Municipal Auditorium (OMA)
Advisory Board Meeting
Tuesday, December 15, 2015
11:30 am – Ottawa Municipal Auditorium



Board Chairman Allen Campbell called the meeting to order at 11:45 a.m.

Board Members Present: Tony Brown, Tiffany Evans, Allen Campbell, Blake Jorgensen, Jenny Obrecht, Nori Hale.

Others Present: Sara Caylor, and Scott Bird.

Agenda Approval-A motion was made by Nori Hale to approve the agenda with a second by Tony Brown. Motion carried.

Meeting Minutes-Tony Brown noted that he was not in attendance at the November 17th meeting as stated in the minutes, Sara Caylor was in attendance. A motion was made and seconded to approved the revised November 17th Meeting Minutes. Motion carried.

OMA Administrative Report-Shonda Stitt reviewed the usage and financial reports and answered questions from the board. Tony Brown asked if the church who had been renting OMA had found a new location. Shonda reported they had and will not be using the building as of January 1st. Shonda noted that Life Church had inquired about renting the facility for 3 months for their services, while their new building was being remodeled, and that the inquiry was been discussed at this time.

Board Vacancy-It was reported there currently are no applicants that have filed for the board vacancy.

Sub-Committee Update-Blake reported that he and Tony have been searching the internet to see what other auditoriums the same age as OMA look like. Blake and Tony plan to get together the beginning of the year and hopefully have to report back at the January meeting. Sara Caylor mentioned they should contact the Historical Auditorium Association.

Task List/Project Update

- New Year's Eve-Tiffany gave an update as to how the fundraising and ticket sales are going at this time. BCI Mechanical donated \$2000, which will cover the cost of the entertainers, People's Bank is donating \$100 for the show, with donations, and ticket sales, the concert is currently profiting \$192 for OMA projects. Tiffany asked if there were any ideas on who to contact to offer rides home from the concert. Sara suggested contacting the Franklin County Attorney's office. Jenny volunteered to help take tickets, Allen will be in attendance also. Scott mentioned that name tags were at City Hall, Shonda volunteered to pick them up for everyone.
- St. Patrick's Day-Shonda reported that they are still trying to nail down entertainment. The concert/music will be free and will be held in conjunction with the 3rd Saturday events in March. Dinner will be corned beef and cabbage for a fee. Peach Madl will do

the green beer bar. The music will be held downstairs. Dinner will begin at 5 or 5:30 with the entire event wrapped up by 9 or 9:30.

- Cinco De Mayo-Tiffany has some names of a couple of Mariachi Bands and Tejano Bands, but has not contacted them at this point. It was discussed that the weekend after the 5th of May is Graduation weekend in Ottawa.

Other Announcements-Sara Caylor told the board that the City of Ottawa has put together the OMA Director ad. Sara will have the job description emailed to the board. The net will be cast pretty wide to find the perfect candidate.

On a motion by Jenny Obrecht and second by Tiffany Evans, the meeting was adjourned.

Tiffany Evans, Recorder

Approved by the Board on January 19, 2016