REGULAR MEETING OF WASHINGTON, MISSOURI CITY COUNCIL
August 1, 2016 – 7:00 P.M.

		SUGGESTED COUNCIL ACTION:	
1.	**INTRODUCTORY ITEMS:**		
	Roll Call /Pledge of Allegiance		
	Approval of the Minutes from the July 18, 2016 Council Meeting	Need Motion/Mayor	Memo
	Approval and Adjustment of Agenda including Consent Agenda:	Need Motion/Mayor	Memo
a.	Payments greater than $40,000		
b.	Lewis, Rice L.L.C. invoice - June 2016 services		
c.	Change Order 1 & 2 and Final Pay Request – Professional Touch Painting – Depot Exterior		
d.	Final Pay Request – J.D. Heating & Cooling Service – 325 West Front Street		
2.	**PRIORITY ITEMS:**		
	Mayor's Presentations, Appointments & Re-Appointments:		
a.	Police Department Appointment	Approve/Mayor	Memo
b.	Library Board Appointments	Approve/Mayor	Memo
3.	**PUBLIC HEARINGS:**		
a.	Special Use Permit – 703 West 9th Street to allow a Daycare Center	Accept Into Minutes	Memo
b.	An ordinance granting a Special Use Permit located at 703 West Ninth Street to be utilized as a Daycare Center on a Property Zoned R-1B, Single-Family Zoning District in the City of Washington, Franklin County, Missouri.	Read &Int/Read&Vote/Mayor	
	CITIZENS DISCUSSIONS:		
4.	**UNFINISHED BUSINESS:**		
5.	**REPORT OF DEPARTMENT HEADS:**		
6.	**ORDINANCES/RESOLUTIONS:**		
a.	An ordinance of the City of Washington, Missouri to establish a procedure to disclose potential conflicts of interest and substantial interest for certain municipal officials.	Read &Int/Read&Vote/Mayor	

b. An ordinance authorizing and directing the City of Washington to enter into a contract agreement with Professional Touch Painting & Decorating, Inc. and Amending the 2016 Budget. Read &Int/Read&Vote/Mayor Memo

c. An ordinance authorizing and directing the execution of an agreement to sell and purchase real estate by and between the City of Washington, Missouri and Frick's Meat Products, Inc. Read &Int/Read&Vote/Mayor

d. An ordinance authorizing and directing the execution of a contract with Cochran Engineering for materials testing for the 2016 Overlay and Concrete Replacement Project in the City of Washington, Franklin County, Missouri. Read &Int/Read&Vote/Mayor Memo

e. An ordinance authorizing the City of Washington, Missouri to issue its Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in a principal funds amount not to exceed $4,000,000 for the purpose of providing funds to pay the costs of acquiring and constructing a facility for an industrial development project in the City; and authorizing the City to enter into certain agreement and take certain other actions in connection with the issuance of the bonds. Read &Int/Read&Vote/Mayor

f. An ordinance authorizing the City to amend certain agreements in connection with its Recovery Zone Facility Revenue Bonds (Valent Aerostructures Project), Series 2010A and industrial Development Revenue Bonds (Valent Aerostructures Project), Series 2010B. Read &Int/Read&Vote/Mayor

7. COMMISSION, COMMITTEE AND BOARD REPORTS:

8. MAYOR'S REPORT:

9. CITY ADMINISTRATOR'S REPORT:

10. CITY ATTORNEY'S REPORT:

a. Public vote on whether or not to hold a closed meeting to discuss personnel, legal and real estate matters pursuant to Section 610.021 RSMo (2000). Roll Call Vote

11. INFORMATION:

12. ADJOURNMENT:

NOTICE: COPIES OF THE PROPOSED ORDINANCES ON THIS AGENDA ARE AVAILABLE FOR PUBLIC INSPECTION PRIOR TO THE TIME THE BILL IS UNDER CONSIDERATION BY THE CITY COUNCIL.
POSTED BY MARY TRENTMANN, CITY CLERK JULY 29, 2015

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL
CITY OF WASHINGTON, FRANKLIN COUNTY, MISSOURI
MONDAY, JULY 18, 2016

INTRODUCTORY ITEMS:

The Regular Meeting of the City of Washington, Missouri, City Council was held on Monday, July 18, 2016, at 7:00 p.m. in the Council Chamber. Mayor Sandy Lucy opened the meeting with roll call and Boy Scout John Volmert with Troop 439 working on his Citizenship in the Community Badge lead the Pledge of Allegiance.

Mayor:		Sandy Lucy	Present
Council Members:	**Ward I**	Steve Sullentrup	Present
		Walter Meyer	Present
	Ward II	Jeff Mohesky	Present
		Mark Hidritch	Present
	Ward III	Jeff Patke	Present
		Greg Skornia	Present
	Ward IV	Josh Brinker	Present
		Joe Holtmeier	Present

Also Present:	City Attorney	Mark Piontek
	City Administrator	James Briggs
	Assistant City Administrator	Brian Boehmer
	City Clerk	Mary Trentmann
	Police Captain	Jim Armstrong
	City Engineer	John Nilges
	Planner	Sal Maniaci
	Finance Director	Mary Sprung
	Library Director	Jackie Hawes
	EMS Director/Fire Chief	Bill Halmich

Originals and/or copies of agenda items of the meeting, including recorded votes are available on record in the office of the City Clerk. Each ordinance is read a minimum of twice by title, unless otherwise noted.

Approval of Minutes:

- Approval of the Minutes from the July 5, 2016 Council Meeting

A motion to accept the minutes as presented was made by Councilmember Hidritch, seconded by Councilmember Holtmeier, passed without dissent.

Approval and Adjustment of Agenda including Consent Agenda:

- Payments greater than $40,000; *Daniel & Henry Co.-$293,294, R.V. Wagner-$100,960, BNY Mellon Trust Company, N.A.-$420,680*
- Treasurer's Report – April 2016
- Revised Fireworks Display Permit Request – Washington Town & Country Fair
- Item 6a – Equipment Lease Ordinance

  A motion to accept and approve the agenda including the consent agenda accordingly was made by Councilmember Brinker, seconded by Councilmember Hidritch, passed without dissent.

PRIORITY ITEMS:

- Resolution – Library Board of Trustees – Brady-Smith

Thank You Maria Brady-Smith

Whereas, Maria Brady-Smith has been a member of the Library Board of Trustees for ten (10) years and four (4) months; and

Whereas, during her ten (10) years and four (4) months in office she has given her time and effort to serve the citizens of the City of Washington, Missouri; and

Whereas, she has served faithfully in her capacity as a member of the Library Board of Trustees, including eight (8) years as secretary, and has played a vital role in the important work in the Community; and

Whereas, her dedication to the Library Board of Trustees has won respect by the community; and

Whereas, Maria Brady-Smith is entitled to just recognition for these efforts.

Now Therefore, I Sandy Lucy, by virtue of the authority vested in me as Mayor, and speaking on behalf of the Library Board of Trustees and all our citizens, do hereby tender to Maria Brady-Smith this Resolution extending our deep appreciation for her ten (10) years and four (4) months of service to the community, and order this Resolution spread upon the records of the City of Washington, Missouri, and a copy thereof delivered to Maria Bracy-Smith.

Sandy Lucy
Mayor of Washington, MO
Mary Trentmann
City Clerk
07-18-16

- Resolution – Library Board of Trustees – Sellmeyer

Thank you Linda Sellmeyer

Whereas, Linda Sellmeyer has been a member of the Library Board of Trustees for nine (9) years; and

Whereas, during her nine (9) years in office she has given her time and effort to serve the citizens of the City of Washington, Missouri; and

Whereas, she has served faithfully in her capacity as a member of the Library Board of Trustees, including one (1) year as Vice-President/Treasurer, has played a vital role in the important work in the community; and

Whereas, her dedication to the Library Board of Trustees has won respect by the Community; and

Whereas, Linda Sellmeyer is entitled to just recognition for these efforts.

Now, Therefore, I, Sandy Lucy, by virtue of the authority vested in me as Mayor, and speaking on behalf of the Library Board of Trustees and all our citizens, do hereby tender to Linda Sellmeyer this Resolution extending our deep appreciation for her nine (9) years of service to the community and order this Resolution spread upon the records of the City of Washington, Missouri, and a copy thereof delivered to Linda Sellmeyer.
Sandy Lucy
Mayor of Washington, MO
Mary Trentmann
City Clerk
07-18-16

- Resolution – Library Board of Trustees – Kohne

Thank you Donna Kohne
Whereas, Donna Kohne has been a member of the Library Board of Trustees for three (3) years; and
Whereas, during her three (3) years in office she has given her time and effort to serve the citizens of the City of Washington, Missouri; and
Whereas, she has served faithfully in her capacity as a member of the Library Board of Trustees has played a vital role in the important work in the community; and
Whereas, her dedication to the Library Board of Trustees has won respect by the community; and
Whereas, Donna Kohne is entitled to just recognition for these efforts.
Now, Therefore, I, Sandy Lucy, by virtue of the authority vested in me as Mayor, and speaking on behalf of the Library Board of Trustees and all our citizens, do hereby tender to Donna Kohne this Resolution extending our deep appreciation for her three (3) years of service to the community, and order this Resolution spread upon the records of the City of Washington, Missouri, and a copy thereof delivered to Donna Kohne.
Sandy Lucy
Mayor of Washington, MO
Mary Trentmann
City Clerk
07-18-16

- Board of Appeals Reappointment

July 11, 2016
To the City Council
City of Washington
Washington, Missouri
Dear Council Members:
I herewith submit for your approval the following for reappointment to the Board of Appeals:
Ivan Buschmann – Term ending June 2021
Respectfully submitted,
Sandy Lucy
Mayor

A motion to accept and approve the reappointment was made by Councilmember Holtmeier, seconded by Councilmember Brinker passed without dissent.

- Board of Public Works Appointment

July 11, 2016
To the City Council
City of Washington
Washington, Missouri
Dear Council Members:
I herewith submit for your approval the following for appointment to the Board of Public Works:
Mike Radetic – term ending June 2020
Respectfully submitted,
Sandy Lucy
Mayor

A motion to accept and approve the appointment was made by Councilmember Patke, seconded by Councilmember Hidritch passed without dissent.

- Parks & Recreation Commission Reappointments

July 11, 2016
To the City Council
City of Washington
Washington, Missouri
Dear Council Members:
I herewith submit for your approval the following for reappointment to the Park and Recreation Commission:
Chantell Unnerstall – term ending June 2019
Debbie Toedebusch – term ending June 2019
Sparky Stuckenschneider – term ending June 2019
Respectfully submitted,
Sandy Lucy
Mayor

A motion to accept and approve the reappointments was made by Councilmember Patke, seconded by Councilmember Hidritch passed without dissent.

- Police Department Appointment

July 12, 2016
To the City Council
City of Washington
Washington, Missouri
Dear Council Members:
I herewith submit for your approval the following for appointment to the Police Department for a six month probationary term:

NAME	*APPOINTED*	*TERM EXPIRES*
Brian W. Todd	*July 19, 2016*	*January 19, 2017*
Patrol Officer		

Respectfully submitted,
Sandy Lucy
Mayor

A motion to accept and approve the appointment was made by Councilmember Patke, seconded by Councilmember Meyer passed without dissent.

- Special Fair Police Appointments

July 12, 2016
City Council
City of Washington
Washington, Missouri
Dear Council Members:
I herewith submit for your approval the following to be appointed as Special Police Officers for the Washington Town and Country Fair for the period of August 3-7, 2016:

Franklin County Sheriff's Department
Deputy Darrell Floyd
Deputy Raoul Williams
Deputy Andrew Rosenkoetter
Deputy Justin Bryan
Deputy Justin Lintermoot

Sullivan Police Department
Officer Chris Neace
Officer Jack Allen
Officer Joshua Lovern

Warren County Sheriff's Department
Deputy Kyle Lepper

Gerald Police Department
Officer Reese Tabarly

Washington County Sheriff's Department
Deputy Chris Flora

New Haven Police Department
Officer James Birmingham

Respectfully submitted,
Sandy Lucy
Mayor

A motion to accept and approve the appointments was made by Councilmember Patke, seconded by Councilmember Hidritch passed without dissent.

PUBLIC HEARINGS:
None

CITIZENS DISCUSSION:
Discussion on what action Council will need to take should the Rural Fire District Tax fail in August.

UNFINISHED BUSINESS:
None

REPORT OF DEPARTMENT HEADS:
- Sal Maniaci reported on the Code revisions. Discussion was held on the sign portion, street widths and implementation date. Council feels they should only regulate the brightness of the signs at night and a six month implementation date. Bill Halmich gave the fire department's

views on the street widths. The proposed changes will be brought back to Planning and Zoning for their comments.

- John Nilges reported on the Jefferson Street Bridge. Substantial completion date has been moved to July 22nd due to several issues.

ORDINANCES/RESOLUTIONS:

Bill No. 16-11529, Ordinance No. 16-11547, an ordinance authorizing and directing the execution of an equipment lease by and between the City of Washington, Missouri and the Washington Chamber of Commerce.

The ordinance was introduced by Councilmember Patke.

After a short discussion the ordinance was read in its entirety two more times and passed on the following roll call vote; Patke-aye, Hidritch-aye, Holtmeier-aye, Sullentrup-aye, Mohesky-aye, Skornia-aye, Brinker-aye, Meyer-aye.

COMMISSION, COMMITTEE, & BOARD REPORTS:

- Preliminary Plat Approval – River City Center, LLC

July 11, 2016
Mayor & City Council
City of Washington
Washington, MO 63090
RE: File No. 16-0601 Preliminary Plat – River City Center, LLC
Mayor & City Council:
At the last meeting of the Planning & Zoning Commission on July 11, 2016, the above Preliminary was approved.
Sincerely
Samantha Cerutti Wacker
Co-Chairman
Planning & Zoning Commission

A motion to accept and approve the preliminary plat was made by Councilmember Sullentrup, seconded by Councilmember Meyer passed without dissent.

Bill No. 16-11529, Ordinance No. 16-11547, an ordinance approving the Final Plat of River City Center, LLC, Plat 1, in the City of Washington, Franklin County, Missouri.

The ordinance was introduced by Councilmember Sullentrup.

With no further discussion, the ordinance was read a second time and passed on the following roll call vote: Patke-aye, Hidritch-aye, Holtmeier-aye, Sullentrup-aye, Mohesky-aye, Skornia-aye, Brinker-aye, Meyer-aye.

MAYOR'S REPORT:

- The Public Safety Building open house was held on Sunday, July 17th and was well attended.
- The America In Bloom judges are in town Monday and Tuesday. There will be a lunch with the judges at the Mayor's home on Tuesday at noon.
- Franklin County Municipal League Dinner meeting is Wednesday, July 20th at K of C Hall.

CITY ADMINISTRATOR'S REPORT:

- The Street Department has been working on sealing the parking lots.
- Tony Bonastia was introduced as the newly hired Street Superintendent. He will begin his duties on August 1st.

CITY ATTORNEY'S REPORT:

None

ADJOURNMENT

With no further business to discuss, a motion to adjourn was made at 8:10 p.m. by Councilmember Sullentrup, seconded by Councilmember Meyer passed without dissent.

Adopted: _____

Attest: _____ _____

City Clerk President of City Council

Passed: _____

Attest: _____ _____

City Clerk Mayor of Washington, Missouri

CITY OF
WASHINGTON
MISSOURI

August 1, 2016

Honorable Mayor and City Council:

Re: Purchases of $40,000 or more

I request your approval for payment of the following:

United Health Care	$130,000.00	Estimated August Health Insurance premium
LAGERS	$ 60,000.00	Estimated July wage benefits
Ameren UE	$ 93,000.00	Estimated July energy usage
UMB Bank, NA. Trust	$ 97,050.00	August debt service payment Sewer Revenue Bonds—2007B
R.V. Wagner	$385,089.90	Payment Request #4 - Jefferson Street Bridge Project

Invoices are attached for items other than payroll related, monthly utility, and monthly debt service payments. Thank you for your consideration.

Respectfully submitted,

Mary J. Sprung

Mary J. Sprung, CPA
Finance Manager

FINANCE MANAGER (636) 390-1040 ACCOUNTS PAYABLE(636)390-1042UTILITY CUSTOMERS (636)390-1045
CITY CLERK/PERSONNEL (636) 390-1006 FAX: (636) 390-1068

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER:
City of Washington

PROJECT: Jefferson Street Bridge Replacement
BRM-6406(605)

APPLICATION NO: 16163.04

Distribution to:
- [ ] OWNER
- [ ] ARCHITECT
- [ ] CONTRACTOR
- [ ]

PERIOD TO: 06/30/16

FROM CONTRACTOR:
R.V. Wagner, Inc.
4712 Green Park Road, St. Louis, MO 63123

VIA ARCHITECT: C/O Kent Vedder
BFA, Inc.
103 Elm St.
Washington, MO 63090

PROJECT NOS: RVW Job No. 16-163

CONTRACT FOR:

CONTRACT DATE: 2/1/16

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM		$ 970,515.34
2. Net change by Change Orders		$1,800.00
3. CONTRACT SUM TO DATE (Line 1 ± 2)		$ 972,315.34
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)		$834,604.70
5. RETAINAGE:		
a. 0% % of Completed Work (Column D + E on G703)	$ -	
b. 0 % of Stored Material (Column F on G703)	$ -	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)		$ -
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)		$ 834,604.70
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		$ 449,514.80
8. CURRENT PAYMENT DUE		$ 385,089.90
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)		$ 137,710.64

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	$1,800.00	
Total approved this Month		
TOTALS	$1,800.00	$0.00
NET CHANGES by Change Or	$1,800.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____ Date: 7/15/16

State of: MISSOURI County of: ST. LOUIS
Subscribed and sworn to before me this 15th day of July 2016
Notary Public: Amanda Ruhl
My Commission expires: 12/1/19

AMANDA RUHL
Notary Public - Notary Seal
State of Missouri
Commissioned for Jefferson County
My Commission Expires: December 01, 2019
Commission Number: 15040016

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... $ 385,089.90

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: 7/21/16

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

R. V. Wagner, Inc.
4712 Green Park Rd.
St. Louis, MO 63123
314-892-1600

INVOICE

Invoice Date	Customer ID	Invoice Number
07/15/16	WASH	16163.04

Job: 16-163
Jefferson Street Bridge Replacement
BRM-6406(605)

To: City of Washington
C/O Kent Vedder
BFA, Inc.
103 Elm St.
Washington, MO 63090

Original Contract Amount	$970,515.34
Amended Contract Amount	$972,315.34

ITEM NO.	ITEM DESCRIPTION	PLAN QTY	UNIT	UNIT PRICE	AMOUNT	QTY THIS PERIOD	AMT THIS PERIOD	QTY TO DATE	AMOUNT TO DATE
10	Removal of Improvements	1.00	LS	$23,100.00	$23,100.00	0.25	$5,775.00	0.75	$17,325.00
20	BP-1	215.0	TON	$118.50	$25,477.50	0.00	$0.00	0.00	$0.00
30	BP-2	65.0	TON	$151.50	$9,847.50	0.00	$0.00	0.00	$0.00
40	ATG Manhole	2.0	EA	$740.00	$1,480.00	0.00	$0.00	2.00	$1,480.00
50	Concrete Curb Ramp	40.0	SY	$145.00	$5,800.00	6.00	$870.00	6.00	$870.00
60	Truncated Domes	75.0	SF	$18.00	$1,350.00	20.00	$360.00	20.00	$360.00
70	Concrete Sidewalk, 4"	130.0	SY	$54.00	$7,020.00	110.00	$5,940.00	110.00	$5,940.00
80	Integral Curb Type M	250.0	LF	$18.50	$4,625.00	200.00	$3,700.00	200.00	$3,700.00
90	Furnishing Type 2 Rock Blanket	170.0	CY	$29.00	$4,930.00	170.00	$4,930.00	170.00	$4,930.00
100	Placing Type 2 Rock Blanket	170.0	CY	$32.50	$5,525.00	170.00	$5,525.00	170.00	$5,525.00
110	Full Depth Sawcut	385.0	LF	$3.00	$1,155.00	0.00	$0.00	385.00	$1,155.00
120	Manhole Frame and Cover (Type 1-B)	3.0	EA	$415.00	$1,245.00	0.00	$0.00	2.00	$830.00
130	Construction Signs	296.0	SF	$9.00	$2,664.00	0.00	$0.00	296.00	$2,664.00
140	Channelizers	65.0	EA	$35.50	$2,307.50	0.00	$0.00	65.00	$2,307.50
150	Type III Moveable Barricade	4.0	EA	$118.50	$474.00	0.00	$0.00	4.00	$474.00
160	CMS Board	3.0	EA	$3,000.00	$9,000.00	0.00	$0.00	3.00	$9,000.00
170	Temporary Traffic Barrier	60.0	LF	$59.00	$3,540.00	0.00	$0.00	60.00	$3,540.00
180	Mobilization	1.0	LS	$61,700.00	$61,700.00	0.25	$15,425.00	1.00	$61,700.00
190	Precast Manhole (48")	41.0	LF	$770.00	$31,570.00	0.00	$0.00	27.50	$21,175.00
200	Signal Head	6.0	EA	$575.00	$3,450.00	0.0	$0.00	0.00	$0.00
210	Relocate Signal Heads	1.0	LS	$1,115.00	$1,115.00	0.0	$0.00	0.00	$0.00
220	Post, Signal	4.0	EA	$725.00	$2,900.00	0.00	$0.00	0.00	$0.00
230	Post, Push Button	1.0	EA	$765.00	$765.00	0.00	$0.00	0.00	$0.00
240	Post, Arm	1.00	EA	$4,600.00	$4,600.00	0.00	$0.00	0.00	$0.00
250	Reuse Existing Controller	1.0	LS	$270.00	$270.00	0.00	$0.00	0.00	$0.00
260	Detector, Push Button	6.0	EA	$250.00	$1,500.00	0.00	$0.00	0.00	$0.00
270	Video Detection System	1.0	EA	$23,500.00	$23,500.00	0.00	$0.00	0.00	$0.00
280	Conduit, 3", Trench	118.0	LF	$7.50	$885.00	118.00	$885.00	118.00	$885.00
290	Extend Conduit	1.0	LS	$175.00	$175.00	0.00	$0.00	1.00	$175.00
300	Conduit, 3", Pushed	62.0	LF	$25.00	$1,550.00	0.00	$0.00	62.00	$1,550.00
310	Cable, 2 Conductor	660.0	LF	$0.85	$561.00	660.00	$561.00	660.00	$561.00
320	Cable, 4 Conductor	670.0	LF	$1.00	$670.00	670.00	$670.00	670.00	$670.00
330	Cable, 7 Conductor	240.0	LF	$1.15	$276.00	240.00	$276.00	240.00	$276.00
340	Pull Box	6.0	EA	$1,365.00	$8,190.00	0.00	$0.00	0.00	$0.00
350	Base, Concrete	4.4	CY	$1,400.00	$6,160.00	0.00	$0.00	0.00	$0.00
360	Pipe Posts	25.0	LB	$33.00	$825.00	0.00	$0.00	0.00	$0.00
370	Breakaway Assembly	2.0	EA	$1,350.00	$2,700.00	0.00	$0.00	0.00	$0.00

Job:

Invoice number: 16163.04
Invoice date: 7/15/16

ITEM NO.	ITEM DESCRIPTION	PLAN QTY	UNIT	UNIT PRICE	AMOUNT	QTY THIS PERIOD	AMT THIS PERIOD	QTY TO DATE	AMOUNT TO DATE
380	U-Channel Post	6.0	LF	$220.00	$1,320.00	0.00	$0.00	0.00	$0.00
390	Signal Sign	6.0	SF	$50.44	$302.64	0.00	$0.00	0.00	$0.00
400	SDR 35 PVC Encased In Concrete	52.0	LF	$62.00	$3,224.00	0.00	$0.00	52.00	$3,224.00
410	6" DIP Waterline	80.0	LF	$603.00	$48,240.00	0.00	$0.00	80.00	$48,240.00
420	Sediment Control	1.0	LS	$1,100.00	$1,100.00	0.00	$0.00	1.00	$1,100.00
430	6" White Paint	710.0	LF	$1.20	$852.00	0.00	$0.00	0.00	$0.00
440	Left Arrow	2.0	EA	$415.00	$830.00	0.00	$0.00	0.00	$0.00
450	Straight/Right Arrow	2.0	EA	$830.00	$1,660.00	0.00	$0.00	0.00	$0.00
460	4" White Paint	115.0	LF	$1.20	$138.00	0.00	$0.00	0.00	$0.00
470	4" Yellow Paint	120.0	LF	$1.20	$144.00	0.00	$0.00	0.00	$0.00
480	8" White Paint	60.0	LF	$1.50	$90.00	0.00	$0.00	0.00	$0.00
490	Removal of Bridges	1.0	LS	$22,600.00	$22,600.00	0.00	$0.00	1.00	$22,600.00
500	Class 1 Excavation	515.0	CY	$39.80	$20,497.00	385.00	$15,323.00	515.00	$20,497.00
510	Class 2 Excavation	124.0	CY	$41.20	$5,108.80	0.00	$0.00	124.00	$5,108.80
520	Structural Steel Piles (14")	625.0	LF	$92.50	$57,812.50	0.00	$0.00	625.00	$57,812.50
530	Pre-Bore for Piling	569.0	LF	$180.00	$102,420.00	0.00	$0.00	569.00	$102,420.00
540	Class B Concrete (Substructure)	183.4	CY	$546.00	$100,136.40	58.40	$31,886.40	183.40	$100,136.40
550	Class B-2 Concrete (Slab)	213.9	CY	$1,055.00	$225,664.50	213.90	$225,664.50	213.90	$225,664.50
560	Corral Rail with Curb	82.0	LF	$460.00	$37,720.00	82.00	$37,720.00	82.00	$37,720.00
570	Handrail	82.0	LF	$202.00	$16,564.00	0.00	$0.00	0.00	$0.00
580	Reinforcing Steel (Bridges)	31610.0	LB	$1.00	$31,610.00	0.0	$0.00	31610.00	$31,610.00
590	Reinforcing Steel (Epoxy Coated)	26890.0	LB	$1.10	$29,579.00	26890.0	$29,579.00	26890.00	$29,579.00
N/A	MH #3 reimbursement	1.0	LS	$1,800.00	$1,800.00	0.00	$0.00	1.00	$1,800.00
					$972,315.34		$385,089.90		

PERIOD ENDING: 6/30/16

Amount Billed	$834,604.70
Retainage Held	$0.00
Total Billed Less Retainage	$834,604.70
Previous Billings	$449,514.80
Amount Due	$385,089.90

Percent Complete 85.84%

DATE DUE: 08/14/16

NOTICE TO OWNER

FAILURE OF THIS CONTRACTOR TO PAY THOSE PERSONS SUPPLYING MATERIAL OR SERVICES TO COMPLETE THIS CONTRACT CAN RESULT IN THE FILING OF A MECHANICS' LIEN ON THE PROPERTY WHICH IS SUBJECT OF THIS CONTRACT PURSUANT TO CHAPTER 429, RSMo. TO AVOID THIS RESULT YOU MAY ASK THIS CONTRACTOR FOR "LIEN WAIVERS" FROM ALL PERSONS SUPPLYING MATERIAL OR SERVICES FOR THE WORK DESCRIBED IN THE CONTRACT. FAILURE TO SECURE LIEN WAIVERS MAY RESULT IN YOUR PAYING FOR LABOR AND MATERIAL TWICE.

Customer Remittance File Accounts Receivable

LEWIS, RICE & FINGERSH, L.C.

ATTORNEYS AT LAW

1200 JEFFERSON, P.O. BOX 1040
WASHINGTON, MISSOURI 63090
WWW.LRF.COM
MPIONTEK@LEWISRICE.COM

MARK C. PIONTEK
DIRECT (636) 239-4599

TEL (636) 239-7747
FAX (636) 239-8450

MEMORANDUM

TO: Mary Trentmann
Administrative Secretary

FROM: Janice Meyer
Secretary for Mark C. Piontek

DATE: July 21, 2016

SUBJECT: Legal Services Rendered through June 30, 2016 for the City of Washington

***Total Bill*.....$14,502.00**

Breakdown of Matters:

700014.13025	General Counsel	6,024.00
700014.53902	Valent Aerostructures Chapter 100 Bonds	8,388.00
700014.57122	Melton Machine	45.00
700014.63509	Johnny Ray Edwards	45.00
	TOTAL	**$14,502.00**

CITY OF WASHINGTON MISSOURI

Administration Department
405 Jefferson Street, Washington, MO 63090
Phone (636) 390-1000 Fax (636) 239-8945

CHANGE ORDER #1, #2, and FINAL PAYMENT

NAME OF PROJECT: Exterior Painting of the Train Depot

OWNER: CITY OF WASHINGTON

CONTRACTOR: Professional Touch Painting & Decoration, Inc.

THE FOLLOWING CHANGES ARE HEREBY MADE TO THE CONTRACT DOCUMENTS:

Original Contract Price	$ 18,574.00
*Change Order No. 1	$ 1,842.50
*Change Order No. 2	$ 2,500.00
New Contract Amount	$ 22,916.50
Previous Payments	$ 16,000.00
Balance Remaining	$ 6,916.50
Payment Requested	$ 6,916.50
Balance Remaining	$ 0

*Note: See attached worksheet describing final quantities.

Staff recommends approval of this change order.

Accepted:
Date:_____

Contractor

By:_____

Title:_____

Approval:
Date:_____

CITY OF WASHINGTON, MISSOURI

By:_____

Title:_____

Professional Touch Painting and Decorating, Inc.

Invoice

14689 Bluff Valley Dr.
Marthasville, MO 63357

636-239-3772

Date	Invoice #
6/9/2016	2071

Bill To
City of Washington 405 Jefferson St Washington, MO 63090

Project

Description	Amount
PROJECT: Train Depot - Change Order # 1 Repair storm window frames due to rotten and damaged wood.	
Material & Labor	1,842.50

Thank you for your business.	**Total**	$1,842.50
Balance due in 15 days	**Balance Due**	$1,842.50

1c

CITY OF
WASHINGTON
MISSOURI

July 19, 2016

Honorable Mayor & City Council
City of Washington
Washington, MO60390

Re: Change Order 1 & 2 and Final Pay Request –
Professional Touch Painting & Decoration, Inc. – Depot Exterior

Dear Mayor & Council Members:

Attached is Change Order 1 & 2 and a Final Pay Request from Professional Touch Painting & Decoration, Inc. for painting, repairs and cleaning of the Passenger Depot. Change Order 1 is for $1,842.50 for Storm Window Frame Repairs. Change Order 2 is for $2,500.00 for powerwashing and painting 2 signs. The Final Pay Request is in the amount of $6,916.50. This payment will close this portion of the project. Staff recommends payment.

Should you have any questions or concerns please do not hesitate to contact me. Thank you for your consideration in this matter.

Respectfully,

Brian Boehmer
AssistantCity Administrator

Attachments

:mkt

1c

Professional Touch Painting and Decorating, Inc.

Invoice

14689 Bluff Valley Dr.
Marthasville, MO 63357

636-239-3772

Date	Invoice #
7/1/2016	2077

Bill To
City of Washington 405 Jefferson St Washington, MO 63090

Project

Description	Amount
PROJECT: Train Depot - Base Contract = $18,574.00	
Final draw on base contract	2,574.00
EXTRAS: Building #325 #2 Powerwash and rinse building Repaint 2 depot signs	
Labor & Material	2,500.00

Thank you for your business.

Total	$5,074.00
Balance Due	$5,074.00

Balance due in 15 days

CITY OF
WASHINGTON
MISSOURI

Administration Department
405 Jefferson Street, Washington, MO 63090
Phone (636) 390-1000 Fax (636) 239-8945

FINAL PAYMENT

TO: CITY COUNCIL

NAME OF PROJECT: New 5 Ton A/C unit and install at 325 West Front Street

OWNER: CITY OF WASHINGTON

CONTRACTOR: J.D. Heating & Cooling Service

THE FOLLOWING FINAL PAYMENT IS HEREBY REQUESTED TO BE MADE TO THE CONTRACTOR:

Original Contract Price..... $ 5264.00
Change Orders.....$
New Contract Amount.....$5264.00
Previous Payments.....$ 4737.60
Final Payment Requested.....$ 526.40

Accepted:
Date:_____

Approval:
Date:_____

Contractor:

CITY OF WASHINGTON, MISSOURI

By:_____

By:_____

Title:_____

Title:_____

Jerry Dyson, Owner 636-744-3245

J.D.'s Heating & Cooling Service LLC

MAINTENANCE • SERVICE • REPLACEMENT
RESIDENTIAL • LIGHT COMMERCIAL • RENTAL PROPERTY
EMERGENCY SERVICE

email: jdsheatncool@att.net
Washington, MO 63090

INVOICE

Remit to:
601 W. 2nd St.
Washington, MO 63090

BBB ACCREDITED BUSINESS

Date: July 5, 2016
INVOICE # 147

To

CITY OF WASHINGTON
405 JEFFERSON STREET
WASHINGTON, MO 63090

Salesperson	JOB	Payment Terms	P.O. #
JD	325 WEST FRONT STREET	Due Upon Completion	

Qty	Description	Unit Price	Line Total
1	HEIL N4A360AKN 5 TON 13 SEER R410A A/C		$4886.00
1	END4X60L24A 5 TON R410A EVAPORATOR COIL		
1	HEIL N8MSN1102122A 80% 110,000 BTU NATURAL GAS FURNACE		
	REATTACH NEW FLUE TO EXISTING FLUE LINER		
	FLUSH EXISTING 7/8 LINE SET		
	NEW ADDITIONAL DUCT WORK		
	DISCONNECT AND RECONNECT GAS LINE		
	NEW DIGITAL THERMOSTAT		
	RECONNECT CONDENSATE DRAIN LINE		
	NEW A/C PAD AND ELECTRICAL WHIP		
	*NOT ON BID:		
	TO ACCOMMODATE NEW 5 TON A/C, RAN NEW ELECTRIC CONDUIT, #6 WIRE AND 50 AMP BREAKER FROM DISCONNECT TO PANEL.		$378.00
		Subtotal	
		TRIP/DIAGNOSTIC CHARGE	
		Total	$5264.00

Thank you for your business!

1d

CITY OF
WASHINGTON
MISSOURI

July 19, 2016

Honorable Mayor & City Council
City of Washington
Washington, MO60390

Re: Final Pay Request – J.D. Heating & Cooling Service – 325 West Front St.

Dear Mayor & Council Members:

Attached is a Final Pay Request from J.D. Heating & Cooling Service in the amount of $526.40. This is for the 5T AC unit and installation at the Freight Depot Building, 325 West Front Street. This payment will close this portion of the project. Staff recommends payment.

Should you have any questions or concerns please do not hesitate to contact me. Thank you for your consideration in this matter.

Respectfully,

Brian Boehmer
AssistantCity Administrator

Attachments

:mkt

CITY OF
WASHINGTON
MISSOURI

July 25, 2016

To The City Council
City of Washington
Washington, Missouri

Dear Council Members:

I herewith submit for your approval the following for appointment to the Police Department for a six month probationary term:

NAME	APPOINTED	TERM EXPIRES
Austin K. Biesemann Patrol Officer	August 2, 2016	February 2, 2917

Respectfully submitted,

Sandy

Sandy Lucy
Mayor

MT:

405 JEFFERSON STREET
WASHINGTON, MO 63090
MAYOR, CITY ADMINISTRATOR, ECONOMIC DEVELOPMENT DIRECTOR (636) 390-1000 FAX: (636) 239-3975

Washington Police Department

Captain James Armstrong
301 Jefferson Street
Washington, Missouri 63090
(636) 390-1055 Fax: (636) 390-2455
jarmstrong@ci.washington.mo.us

229th

DATE: July 21, 2016

TO: Mayor Sandy Lucy

SUBJECT: Police Officer Appointment

Honorable Mayor,

I respectfully request that the following individual be appointed as a full time Washington Police Officer:

NAME	TERM BEGINS	TERM ENDING
Austin K. Biesemann (Probationary)	August 2, 2016	February 2, 2017

Please be advised Mr. Biesmann recently graduated from Southeast Missouri State University with a B.S. in Criminal Justice. He also completed the Law Enforcement Academy at Southeast Missouri State University. He possesses the required P.O.S.T. certification. He has been through and passed all the required testing and background checks in the hiring process. Mr. Biesemann is enthusiastic and has a service minded attitude. He appears to be a well-rounded person and candidate. The physical, psychological, and drug screen tests were all completed satisfactorily.

Mr. Biesemann possesses all of the qualities desired of a police officer here in Washington. I recommend he be approved for appointment as a full time police officer, probationary, with the Washington Police Department. I feel Mr. Bieseman will be a fine asset for the City. Thank you for your consideration.

Respectfully,

Capt. J. Armstrong #256

Capt. Jim Armstrong
Asst. Chief of Police

CITY OF
WASHINGTON
MISSOURI

July 25, 2016

To The City Council
City of Washington
Washington, Missouri

Dear Council Members:

I herewith submit for your approval the following for appointment to the Library Board of Trustees:

James Overschmidt – term ending June 2019
Barbara Volmert - term ending June 2019

Respectfully submitted,

Sandy

Sandy Lucy
Mayor

MKT:

405 JEFFERSON STREET
WASHINGTON, MO 63090
MAYOR, CITY ADMINISTRATOR, ECONOMIC DEVELOPMENT DIRECTOR (636) 390-1000 FAX: (636) 239-2018

2b

CITY OF
WASHINGTON
MISSOURI

July 11, 2016

Mayor & City Council
City of Washington
Washington, MO 63090

RE: File No. 16-0602 Special Use Permit- 703 West Ninth Street

Mayor & City Council:

At the last meeting of the Planning & Zoning Commission on July, 11, 2016 the above Special Use Permit was approved.

Sincerely,

Samantha Cerutti Wacker
Co-Chairman
Planning & Zoning Commission

PLANNING & ENGINEERING SERVICES
405 JEFFERSON STREET
WASHINGTON, MO 63090

(636)-390-1010 Phone (636)-2398-4649 Fax www.ci.washington.mo.us

BILL NO. _____ INTRODUCED BY: _____

ORDINANCE NO. _____

AN ORDINANCE GRANTING A SPECIAL USE PERMIT LOCATED AT 703 WEST NINTH STREET TO BE UTILIZED AS A DAYCARE CENTER ON A PROPERTY ZONED R-1B SINGLE FAMILY ZONING DISTRICT IN THE CITY OF WASHINGTON, FRANKLIN COUNTY, MISSOURI.

WHEREAS, An application for a Special Use Permit has been filed with the City of Washington

WHEREAS, pursuant to the ordinances of the City of Washington, Missouri, a public hearing on such request will be held in the City Council Chambers, 405 Jefferson Street, Washington, Missouri, on August 1, 2016, notice of said hearing having been duly published in the "Washington Missourian", and:

WHEREAS, the City Council has determined that allowance of said request would be proper and in the best interests of the City:

NOW, THEREFORE, be it ordained by the Council of the City of Washington, Missouri, as follows:

SECTION 1: That a Special Use Permit be issued for 703 West Ninth Street for use as a Daycare Center. Contingent on the following:

a. Proof of all state licensing must be submitted to City Staff.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Passed:_____

ATTEST:_____ _____
City Clerk President of City Council

Approved:_____

ATTEST:_____ _____
City Clerk Mayor of Washington, Missouri

BILL NO. _____ INTRODUCED BY COUNCILMAN _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF WASHINGTON, MISSOURI TO ESTABLISH A PROCEDURE TO DISCLOSE POTENTIAL CONFLICTS OF INTEREST AND SUBSTANTIAL INTEREST FOR CERTAIN MUNICIPAL OFFICIALS

SECTION 1: Declaration of Policy. The proper operation of municipal government requires that public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, there is hereby established a procedure for disclosure by certain officials and employees of private financial or other interests in matters affecting the City.

SECTION 2: Conflicts of Interest. The Mayor or any member of the City Council who has a substantial personal or private financial interest, as defined by state law, in any bill shall disclose on the records of the City Council the nature of his/her interest and shall disqualify himself/herself from voting on any matters relating to this interest.

SECTION 3: Disclosure Reports. Each elected official, the City Administrator and the Finance Manager shall disclose the following information by May 1 of each year, if any such transactions were engaged in during the previous calendar year:

a. For Such person, and all persons within the first degree of consanguinity of affinity or such person, the date and the identities of the parties to each transaction with a total value in excess of five hundred dollars, if any, that such person had with the political subdivision, other than compensation received as an

employee or payment of any tax, fee or penalty due to the political subdivision, and other than transfers for no consideration to the political subdivision; and

b. The date and the identities of the parties to each transactions known to the person with a total value in excess of five hundred dollars, if any, that any business entity in which such person had a substantial interest, had with the political subdivision, other than payment of any tax, fee or penalty due to the political subdivision or transactions involving payment for providing utility service to the political subdivision, and other than transfers for no consideration to the political subdivision.

c. The City Administrator and the Finance Manager also shall disclose by May 1 of each year, for the previous calendar year the following information:

1. The name and address of each of the employers or such person from whom income of one thousand dollars or more was received during the year covered by the statement;

2. The name and address of each sole proprietorship that he or she owned; the name, address and the general nature of the business conducted of each general partnership and joint venture in which he or she was a partner or participant; the name and address of each partner or co-participant for each partnership or joint venture unless such names and addresses are filed by the partnership or joint venture with the Secretary of State; the name, address and general nature of the business conducted by any closely held corporation or limited partnership in which the person owned ten percent or more of any class of the outstanding stock or limited partnership units; and the name of any publicly traded corporation of limited partnership that is listed on a regulated stock exchange or automated quotation system in which the person owned two percent or more of any class of outstanding stock, limited partnership units or other equity interests;

3. The name and address of each corporation for which such person served in the capacity of a director, officer or receiver.

SECTION 4: Filing of Reports. The reports in the attached format (Attachment A) shall be filed with the City Clerk and with the Missouri Ethics Commission. The reports shall be available for public inspection and copying during normal business hours.

SECTION 5: When Filed. The financial interest statements shall be filed at the following times, but no person is required to file more than one financial interest statement in any calendar year:

a. Each person appointed to office shall file the statement within thirty days of such appointment or employment;
b. Every other person required to file a financial interest statement shall file the statement annually not later than May 1 and the statement shall cover the calendar year ending the immediately preceding December 31; provided that any member of the City Council may supplement the financial interest statement to report additional interests acquired after December 31 of the covered year until the date of filing of the financial interest statement.

SECTION 6: File of Ordinance. The City Clerk shall send a certified copy of this ordinance to the Missouri Ethics Commission, P.O. Box 1370, Jefferson City, Missouri 65102 within ten (10) days of its adoption.

SECTION 7: Effective Date. This ordinance shall be in full force and effect from and after the date of its passage and approval and shall remain in effect until amended or repealed by the City Council.

Passed: _____

Attest: _____ _____
City Clerk President of City Council

Approved: _____

Attest: _____ _____
City Clerk Mayor of Washington, Missouri

Missouri Ethics Commission
PO Box 1370, Jefferson City Mo 65102, (800) 392-8660, www.mec.mo.gov

Office Use:

Financial Disclosure Statement for Political Subdivisions

1. Statement Information (select one)

Type: ☐ New ☐ Amended

2. Filing Status & Time Period Covered (select one & insert time period)

A. Filing Status

- ☐ **Annual Filer:** file from Jan 1 to Dec 31 of prior year, due by May 1
- ☐ **Newly Appointed/Employed:** file for calendar year before start date, due within 30 days
- ☐ **Incumbent Candidate:** file from Jan 1 of prior year to closing date for candidacy (may be longer than 12-month period), due within 14 days of closing date for candidacy
- ☐ **New Candidate:** file for the 12-month period before the closing date for candidacy, due within 14 days of closing date for candidacy

B. Time Period Covered: From ____/____/_____ to ____/____/_____ (mm/dd/yyyy)

3. Filer s Information

Filer's name (First, Middle, Last) _____ (Spouse's name (First, Middle, Last) _____

Mailing address _____ City, State, Zip _____

Dependent child's name* (First, Middle, Last) _____ Dependent child's name* (First, Middle, Last) _____

Political Subdivision or State Agency _____ Title (Position/Office Seeking) _____

☐ Check if spouse is filing separate from yourself (if your spouse is not required to file a PFD, this statement MUST disclose his/her information).

*Includes all children, stepchildren, foster children and wards under the age of eighteen residing in the person's household and who receive in excess of 50% of their support from the person.

4. Transaction Information

A. List the transactions, valued at more than $500, you, your spouse, or any relative within the first degree of blood or marriage had with the political subdivision listed above. *Do not include* compensation received as an employee, payment of taxes, fees or penalties or transfers for no consideration.

Date (mm/dd/yyyy) _____ Parties involved in transaction _____

Date (mm/dd/yyyy) _____ Parties involved in transaction _____

B. List the transactions for any business entity, in which you, your spouse or any relative within the first degree of blood or marriage held a substantial interest, that conducted business with the political subdivision listed above valued at more than $500. *Do not include* payments of taxes, fees or penalties due to the political subdivision or transactions involving payment for providing utility service to the political subdivision or transfers for no consideration. (NOTE: Substantial interest includes ownership of 10% of the business entity or interest valued at $10,000 or more, or from which a salary, gratuity or other compensation of $5,000 or more is paid per calendar year).

Date (mm/dd/yyyy) _____ Name of Business _____ Parties involved in transaction _____

Date (mm/dd/yyyy) _____ Name of Business _____ Parties involved in transaction _____

5. Signature (select one, sign & date)

☐ I affirm and attest under penalty of perjury that information and facts in this report, are complete, true, and accurate. I further acknowledge that I am aware that any false statement or declaration made herein is punishable under Chapter 575 RSMo.

☐ I affirm and attest under penalty of perjury that information and facts in this report, are complete, true, and accurate and that my spouse has refused or failed to provide information concerning his or her financial interest and that I have no working knowledge of such interests. I further acknowledge that I am aware that any false statement or declaration made herein is punishable under Chapter 575 RSMo.

Filer's Signature (Required) _____ Date (mm/dd/yyyy) _____

Form must contain original signature, fax filings are not accepted.

NOTE: The following information is required from the **Chief Administrative Officer** and **Chief Purchasing Office** *only*. Include information for filer, spouse and dependent children.

6. Employment

List the name and address of each employer from whom you, your spouse, or dependent child(ren) received income of $1,000 or more during the period covered by this statement.

Employer Name	Employer Address/City/State/Zip	Person's name whom received income

7. Sole Proprietorships

List each sole proprietorship owned by you, your spouse or dependent child(ren).

Sole Proprietorship Name	Sole Proprietorship Address/City/State/Zip

8. General Partnerships, Joint Ventures

List each general partnership and joint venture in which you, your spouse or dependent child(ren) are a partner or participant, and the name of partners or coparticipants unless such names and addresses are filed with the Secretary of State.

General Partnership or Joint Venture Name	Address/City/State/Zip	Nature of business	Partner/Coparticipant's Name & Address	Party Involved

9. Limited Partnerships, Closely held Corporations

List the name of any closely-held corporation/limited partnership in which you, your spouse, or dependent child(ren) own ten percent (10%) or more of any class of the outstanding stock or units.

Limited Partnership/Closely-held Corporation Name	Address/City/State/Zip	Nature of business	Party Involved

10. Publicly Traded Corporation or Limited Partnership

List the name of any publicly traded corporation or limited partnership which is listed on a regulated stock exchange or automated quotation system in which you, your spouse or dependent child(ren) own two percent (2%) or more of any class of outstanding stock, units or other equity interests.

Corporation/Limited Partnership Name	Party Involved

11. Corporations

List the name and address of each corporation for which you, your spouse, or dependent child(ren) served in the capacity of a director, officer or receiver.

Corporation Name	Corporation Address/City/State/Zip	Person's name who served in this capacity

This form is required to be filed with the Missouri Ethics Commission **and** with the governing body of your political subdivision. All elected and appointed officials as well as employees of a political subdivision must comply with §105.454 RSMo., on conflicts of interest and their own local code of ethics.

BILL NO._____ INTRODUCED BY: _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY OF WASHINGTON TO ENTER INTO A CONTRACT AGREEMENT WITH PROFESSIONAL TOUCH PAINTING & DECORATING, INC. AND AMENDING THE 2016 BUDGET.

Be It Ordained by the Council of the City of Washington, Missouri, as follows:

SECTION 1: The City of Washington, Missouri is hereby authorized and directed to enter into a Contract Agreement with PROFESSIONAL TOUCH PAINTING & DECORATING, INC. for the 2016 Airport Metal Roofs Painting Project. A copy of said contract agreement is attached and marked as Exhibit "A" and incorporated herein by reference.

SECTION 2: The Mayor and City Clerk are hereby authorized to execute said Sales Contract and to do all things necessary by the terms of said Contract Agreement.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance shall amend the 2016 Budget by increasing the $60,000.00 amount by $2,300.00 for a new budget amount of $62,300.00

SECTION 5: This ordinance shall take effect and be in full force from and after its passage and approval.

Passed: _____

ATTEST: _____ _____
City Clerk President of City Council

Approved: _____

ATTEST: _____ _____
City Clerk Mayor of Washington, Missouri

EXHIBIT A

CONTRACT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, _____by and between the **CITY OF WASHINGTON, MO**, party of the first part, hereinafter termed the "City" and **PROFESSIONAL TOUCH PAINTING & DECORATING, INC.** as part of the second part, hereinafter termed in this agreement, the "Contractor" for the completing the work per bid documents, specifications and herein specified for the Airport Metal Roofs Painting Project.

WITNESSETH:

WHEREAS, the City has caused to be prepared specifications and other contract documents for the work herein described, and has approved and adopted these contract documents and has invited proposals for the furnishing of labor and equipment, for and in connection with, the construction of improvements in accordance with the terms of this contract, and,

WHEREAS, the Contractor, in response to the invitation/public notice, submitted, to the City, in the manner and at the time specified, a proposal in accordance with the terms of the contract, and

WHEREAS, the City has opened, examined and canvassed the proposals submitted, and as a result of such canvass, has determined and declared the Contractor to be the lowest and/or best bidder for constructing said improvements, and has duly awarded to the said Contractor contract therefore, for the sums named in the proposals attached to and made a part of this contract:

NOW THEREFORE, THIS AGREEMENT WITNESSETH, that the parties to these present, in consideration of the compensation to be paid to the Contractor, and of the mutual agreements herein contained, have agreed to thereby agree the City for itself, and its successors and the Contractor of itself, or themselves, its, their successors and assigns, or their executors and administrators, as follows:

ARTICLE I. That the Contractor will furnish at his own cost and expense all labor, tools, equipment, materials, and necessary documentation required to complete in a good first class and workmanlike manner, the work as designated, described and required by the specifications and proposals for construction of the improvement, all in accordance with the specifications and other specified documents, all of which form the contract, and are as fully a part thereof as if repeated verbatim herein; all work to be done under the direct supervision, and to the entire satisfaction of the City.

ARTICLE II Specifically, the Contractor shall comply in all respects with the Anti-Discrimination Provisions.

ARTICLE III That the Contractor shall be held to comply with all requirements of the Prevailing Wage Law of the State of Missouri, and shall forfeit as a penalty to the state, county, city, town district or other political subdivision on whose behalf the contract is made or awarded, ten dollars ($10.00) for each workman employed, for each calendar day, or portion thereof, such workman is paid less than the said stipulated rates for any work done under this contractor, by him or by any subcontractor under him (see attached "Prevailing Wage Determination, Annual Wage Order No. 23 issued March 2016" – all updates included in specifications packet).

ARTICLE IV That the contractor shall supply a complete list of any and all subcontractor(s) to be used, and a signed and dated contract between the contractor and the subcontractor indicating the total dollar amount of the subcontractor's contract. Before any subcontractor can begin work on the project, whether originally subcontracted prior to the start of the project or subcontracted after the project has begun all provisions of this article must be complied with.

ARTICLE V The Contractor covenants that they will indemnify and hold harmless the City of Washington from any loss, damage, cost charges or expenses, whether to persons or property, to which the City of Washington may have been put by reason or any action, neglect, omission or default on the part of the Contractor.

ARTICLE VI. That the City will pay the contractor for the performance of this Contract and the Contractor will accept in full compensation therefore the sum __SIXTY-TWO THOURSAND, THREE HUNDRED DOLLARS AND ZERO CENTS_____ ($__62,300.00_____) for all work covered by and designated in the proposal.

IN WITNESS WHEREOF, the parties have made and executed this Agreement the day and year first above written.

_____	_____
Signature of Mayor	Signature of Contractor
_____	_____
Signature of City Clerk	Title
_____	_____
Date	Date

CITY OF
WASHINGTON
MISSOURI

July 21, 2016

Honorable Mayor and City Council
405 Jefferson Street
Washington, MO 63090

Subject: 2016 Airport Metal Roofs Painting Project

Dear Mayor & Councilmembers:

Staff solicited bids publicly for the 2016 Airport Metal Roofs Painting Project. Two (2) bids were received and opened on July 21, 2016. Results are as follows:

Professional Touch	$62,300.00
Bazan Painting	$144,879.00

Budgeted amount for this project is $60,000.00. Staff recommends acceptance of the proposal from Professional Touch in the amount of $62,300.00 and amending the 2016 budget amount to $62,300.00

I will be available to answer any of your questions that you may have.

Respectfully,

Brian N. Boehmer
Assistant City Administrator

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ASSISTANT CITY ADMINISTRATOR / PUBLIC WORKS DIRECTOR 636-390-1000 FAX: 636-239-8945

6b

BILL NO. _____ INTRODUCED BY COUNCILMAN _____

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE EXECUTION OF AN AGREEMENT TO SELL AND PURCHASE REAL ESTATE BY AND BETWEEN THE CITY OF WASHINGTON, MISSOURI AND FRICK'S MEAT PRODUCTS, INC.

BE IT ORDAINED by the Council of the City of Washington, Missouri, as follows:

SECTION 1: The Mayor is hereby authorized and directed to execute an Agreement to Sell and Purchase Real Estate by and between the City of Washington, Missouri and Frick's Meat Products, Inc., a copy of which is marked Exhibit I and is attached hereto and incorporated herein by reference, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized and directed to attest to and affix the seal of the City to the said Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 2: The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action, and execute and deliver such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance shall be in full force and effect from and after its passage and approval.

Passed:_____

ATTEST:_____ _____
President of City Council

Approved:_____

ATTEST:_____ _____
Mayor of Washington, Missouri

EXHIBIT I

AGREEMENT TO SELL AND PURCHASE REAL ESTATE

THIS AGREEMENT TO SELL AND PURCHASE REAL ESTATE ("AGREEMENT"), is made and entered into as of the date of the last execution hereof, which date is the ____ day of _____, 2016 (the "Effective Date"), by and between Frick's Meat Products, Inc., a Missouri corporation, hereinafter referred to as "SELLER", and the City of Washington, Missouri, a Missouri municipal corporation, organized and existing under the laws of the State of Missouri, hereinafter referred to as "BUYER". Each of Seller and Buyer is a "Party" and collectively, they are the "Parties."

W I T N E S S E T H:

1. Seller warrants to Buyer that Seller is the 100% owner of the premises described hereinafter; and

2. Seller has offered to sell and Buyer has agreed to purchase the premises described hereinafter subject to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the sufficiency of which consideration is acknowledged by all parties hereto, IT IS HEREBY AGREED AS FOLLOWS:

(1) **DESCRIPTION**. The premises which are to be purchased by Buyer are located in Franklin County, Missouri, and are more particularly described as follows:

> Those certain tracts of land in Franklin County, Missouri as depicted on Exhibit A attached hereto and incorporated herein by reference (the "Premises"), together with any improvements currently located thereon and all and singular the rights, privileges, advantages, and appurtenances belonging or appertaining to such tracts of land, as well as all easements in or upon such tracts of land, and all roads, alleys, waters, streets, or rights-of-way bounding such tracts of land (to the centerline thereof), and rights of ingress and egress thereto, as well as any and all utility capacity, if any (and to the extent transferable), including, without limitation, water, drainage, and sanitary sewer, and other utility capacities and rights relating thereto, affecting or applicable to such tracts of land, as well as Seller's right, title and interest in and to all zoning and utility capacity applications, if any (and to the extent transferable) made to any governmental authority and all other inchoate rights affecting or applicable to the Premises (including, without limitation, any fees relating thereto and the benefits resulting therefrom) and one hundred percent (100%) of the use and control of the surface of the Premises free and clear of the rights of the owners of any mineral interests or the lessees of any surface lease relating to the Premises. The exact and final legal description of the Premises shall be subject to a Survey (as defined herein).

(2) PURCHASE PRICE. The purchase price for Parcel 1 shall be One Hundred Three Thousand Four Hundred and 00/100 Dollars ($103,400.00), the purchase price for Parcel 3 shall be Eighty-Nine Thousand Three Hundred and 00/100 Dollars ($89,300.00), and the purchase price for Parcel 4 shall be Eighty-Two Thousand Four Hundred and 00/100 Dollars ($82,400.00), for a total purchase price of the Premises of Two Hundred Seventy-Five Thousand One Hundred and 00/100 Dollars ($275,100.00) (the "Purchase Price"). Within five (5) business days after the Effective Date, Buyer shall

deposit with Title Company (as defined below) as a partial payment of the Purchase Price, the sum of Ten Thousand and 00/100 Dollars ($10,000.00) (the "Deposit"). Title Company shall deposit the Deposit in an interest bearing account, with interest accruing to the benefit of the Buyer. The Deposit shall be refunded to Buyer in the event Buyer rightfully terminates this Agreement under the terms and conditions herein; otherwise, the Deposit shall be applied to the total Purchase Price at the Closing.

(3) DONATION, At the Closing the Seller shall convey to the Buyer Parcel 2 of the Premises as a donation of said real property. None of the Purchase Price shall be attributable to the conveyance by the Seller to the Buyer of Parcel 2 of the Premises. The conveyance of Parcel 2 of the Premises shall occur at the same time and in the same manner as the conveyance of Parcels 1, 3 and 4 of the Premises as provided for in Paragraph 7 herein.

(4) **BUYER'S REQUIREMENTS.** Buyer shall be under no obligation to purchase the Premises or otherwise perform under this Agreement unless Buyer determines, during the Review Period (as defined below), the Premises to be suitable for Buyer's intended purposes and until each of the following requirements of Buyer is satisfied as to the Premises. The decision as to whether the Premises are suitable for Buyer's intended purposes and the requirements have been fulfilled shall be the sole decision of Buyer, determined in the absolute discretion of Buyer, with Buyer's decision being final and binding upon both Parties. Buyer shall have from the Effective Date until the end of business sixty (60) days thereafter (the "Review Period") to notify Seller of Buyer's cancellation of this Agreement due to Buyer's determination that the Premises are unsuitable or to a failure of fulfillment of any one of the requirements.

REQUIREMENTS TO BE ACCOMPLISHED

(a) Governmental Approvals: Buyer must obtain and be satisfied with all approvals and permits required from the appropriate municipal, county, state and federal authorities, including, without limitation, the Missouri Department of Natural Resources ("MDNR") and the Environmental Protection Agency (the "EPA"), and with the zoning of the Premises for Buyer's intended use and development of the Premises, and Buyer must obtain assurances that it will obtain all governmental approvals necessary or desirable for Buyer's intended use and development of the Premises, including, without limitation, subdivision approvals, site plan approvals, development approvals and building permits for Buyer's planned improvements. Buyer must receive assurances that all necessary governmental approvals for access such as curb cuts or entrances and any wetlands or environmental approvals and permits have been obtained.

(b) Utilities: The Premises must have available suitable utilities, including by way of illustration and not limitation, electricity, water, sewer facilities, telephone services and natural gas, if available locally.

(c) Adaptability to Construction: The Premises must be adaptable to construction of the improvements envisioned by Buyer, at costs satisfactory to Buyer.

(d) Title Insurance: Buyer must be able to obtain at the Closing (as defined below) an ALTA owner's policy of title insurance for the Premises (the "Owner's Title Policy") from a title insurance company selected by Buyer ("Title Company"), at Buyer's cost and expense, based upon a satisfactory commitment for title insurance for the Premises ("Commitment") to be furnished to Buyer by the Title Company following execution of this Agreement by both Parties. The Commitment shall comply in all respects with Buyer's Title Insurance Requirements attached hereto as Exhibit B and incorporated herein by reference. The Commitment shall identify the Premises and easements appurtenant thereto by the legal description set forth on the Survey (as defined below). The Commitment shall contain endorsements, unless prohibited by law stating (i) all of the parcels comprising the Premises

are contiguous (if the Premises is comprised of more than one parcel) and that the Premises is contiguous to any property containing easements appurtenant thereto, (ii) the zoning classification of the Premises, (iii) the Premises abuts the public street(s) immediately adjacent thereto and has direct and valid full and unrestricted access thereto at the locations designated on the site plan approved by Buyer (iv) the property delineated in the Survey is the same as the Premises set forth in the Commitment, and (v) such other endorsements as Buyer may reasonably require (the "Endorsements"). Seller hereby agrees to provide to the Title Company any abstracts of title covering the Premises and/or any other form of title evidence it may have obtained, including any attorney's title opinion or any owner's title insurance policy. Buyer's decision as to whether "satisfactory" title insurance can be obtained shall be final and shall not be subject to question by Seller. The Commitment shall only contain exceptions for liens, encumbrances, claims, easements or other matters that have been approved by Buyer in writing (the "Permitted Encumbrances"). Seller shall cooperate fully with Buyer in helping Buyer to eliminate such exceptions from Buyer's title insurance binder as Buyer may desire eliminated, and further, Seller shall cooperate fully with Buyer in order for all requirements of closing outlined in the Commitment to be accomplished in all respects.

(e) Survey: Buyer must be able to obtain, at Buyer's expense, an ALTA boundary survey for each tract of the Premises in a form satisfactory to Buyer, which form shall comply with, but not be limited to, the following requirements, (i) prepared by a surveyor or engineer licensed in the State of Missouri; (ii) in such form that the Title Company will delete the survey exceptions from the applicable Owner's Title Policy and made in accordance with the most recent Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping; (iii) certified to Buyer by such surveyor or engineer in a manner reasonably satisfactory to Buyer as being true and accurate and showing thereon all buildings, structures and other improvements, easements, building lines (together with the recording information concerning the documents creating any such easements and building lines), sewage, water, electricity, gas and other utility facilities, roads, and means of ingress and egress to and from the Premises to a public road; (iv) revealing no encroachments onto the Premises from any adjacent property, no encroachments by or from the Premises onto any adjacent property, nor any violation by any of the improvements on the Premises of any recorded building line or easement or other restrictive covenant or ordinance affecting the Premises; and (v) accompanied by a certificate from the surveyor or engineer to Buyer which certifies that there have been no changes or additions on the Premises since the date of the survey or, if there have been changes, the nature of such additions and changes (collectively, the "Survey"). The metes and bounds description of the Premises resulting from the Survey, if and as accepted by Buyer, shall upon such acceptance supersede and replace the description of the Premises set forth in Paragraph (1) hereof for all purposes hereunder and shall be the description of the Premises used in the "Deeds" and the applicable Owner's Title Policy to be furnished hereunder. Together, the area of the Premises defined by the Survey shall contain no less than 8.0 acres, with the exact acreage subject to Buyer's approval.

(f) Drainage: The Premises must be adaptable to effect drainage in a manner and at an expense satisfactory to Buyer.

(g) Zoning: The zoning classification of the Premises shall permit Buyer's intended use of the Premises ("Intended Use"), and Buyer must have obtained all necessary permits and approvals, free from conditions and restrictions compliance with which would result in extraordinary costs of development or use, the determination of such being in the sole discretion of Buyer, or restrictions on Buyer's ability to use any part of the Premises for the Intended Use (including related uses necessary for the Intended Use).

(h) Economic Feasibility: The Intended Use must be deemed by Buyer to be an economically feasible project, in Buyer's sole discretion.

(i) Right of Entry and Hold Harmless. Seller hereby grants permission to Buyer to enter on the Premises to conduct such investigations, inspections, testing, including soil tests, and such other review as Buyer may deem necessary or desirable during the Review Period. Unless stated to be the responsibility of Seller under this Agreement, Buyer agrees to pay the costs and expenses associated with its investigation or testing, and Buyer will repair and restore any damage to the Premises caused by Buyer's investigations or testing, at Buyer's expense. Buyer also agrees to defend and hold Seller harmless from all costs, expenses and liabilities arising out of Buyer's negligence or willful misconduct or that of its employees, agents, consultants or contractors in performing its evaluation of the Premises, except that Buyer shall have no responsibility to Seller

(5) **DELAY IN OBTAINING PERMITS OR APPROVALS.** Except as provided herein, Buyer shall promptly commence efforts to obtain any permits and approvals, at its own expense, necessary for Buyer's Intended Use. Seller shall cooperate with Buyer in this regard and shall, if requested to do so, execute such applications or requests as may be necessary and to provide any information from Seller which may be necessary or useful in completing applications or requests. If, while in compliance with the requirements of this Agreement, Buyer shall experience delay in obtaining necessary permits or approval for the Premises for the Intended Use, Buyer will so notify Seller, and Buyer may elect one of the following in Buyer's sole discretion:

(i) To extend the Closing Date for a period not to exceed thirty (30) days to allow Buyer to obtain required permits or approvals as referred to above; or

(ii) To waive such permits and approvals and to close the transaction in accordance with the terms of this Agreement; or

(iii) To terminate this Agreement in which event neither Seller nor Buyer will have any further rights, duties or obligations under this Agreement, except as expressly provided herein.

(6) **CLOSINGS.**

(a) Closing. Provided all conditions and requirements of Buyer hereunder have been satisfied as set forth in this Agreement, Seller shall convey the Premises to Buyer after the expiration of the Review Period, on a date mutually acceptable to the Parties, but in any event prior to or by September 30, 2016 (the "Closing Date"), unless the Parties mutually agree to extend such date. The "Closing" shall mean the exchange of the Deed (as defined below) for the Premises and other documents required under this Agreement for the Purchase Price on the Closing Date.

(b) Closing Date and Deeds. Seller shall prepare, at its cost, the deed conveying the Premises to Buyer, which deed shall contain covenants of title satisfactory to Buyer, which covenants of title shall state that Seller is seized of the Premises in fee simple, and that Seller has granted, bargained, sold and conveyed unto Buyer and its successors and/or assigns in title the Premises in fee simple; and that Seller will warrant and defend title against the claims of all persons or entities whatsoever. Title to the Premises at Closing shall be marketable and good of record and in fact and zoned to permit Buyer's Intended Use. The conveyance to Buyer under the deed shall be free and clear of any and all liens, mortgages, deeds of trust, security interests, covenants, conditions, restrictions, easements, rights-of-way, licenses, encroachments, judgments or encumbrances of any kind, except:

(i) the lien of real estate taxes for the calendar year in which the Closing occurs, none of which are then due and payable; and

(ii) Permitted Encumbrances

(c) Prorations. Seller shall pay all transfer taxes, documentary stamps, rollback taxes, recoupment fees or taxes occasioned by a change in use of the Premises, if any. All ad valorem taxes for the calendar year of the Closing shall be prorated between Seller and Buyer as of the Closing Date, and all taxes and assessments which were assessed or pertain to the time period on and before such Closing Date (irrespective of the actual date required to be paid) shall be the responsibility of the Seller, and either paid or given as a credit against the Purchase Price at the Closing, and Buyer is responsible for the taxes allocated to the time period after the Closing Date. Seller agrees to promptly forward to Buyer any property tax statements on the Premises received by Seller after the Closing and if Seller fails to do so, Seller shall be liable for any penalties Buyer has to pay because of Seller's failure. If the final amounts for all items to be prorated are not known at the Closing, the Parties will use the amounts that are most current and available, and to the extent of any differences with such amounts after the actual amounts for the prorated items are received, the Parties will re-prorate such items after such Closing.

(d) Brokers' Commissions. Seller shall pay all broker's fees or real estate sales commissions or any similar fees occasioned by the sale of the Premises arising from any broker engaged by Seller, and Buyer shall have no obligation or responsibility toward the payment of any such costs. Seller shall indemnify and hold Buyer harmless from any claims of brokers or real estate agents engaged by Seller for fees or commissions arising out of this sale of the Premises to Buyer. Buyer represents to Seller that Buyer has not employed nor engaged any real estate agents or brokers to be involved in this transaction.

(7) **POSSESSION.**

(a) Premises. Buyer shall be given sole and exclusive possession of the Premises at such time as a general warranty deed satisfactory to Buyer (the "Deed") is delivered by Seller to Buyer at the Closing, conveying the Premises in fee simple to Buyer, and Buyer pays the balance of the Purchase Price.

(8) **ASSIGNMENT BY BUYER.** This Agreement may not be assigned by Seller without the consent of Buyer. If such assignment is made, then the sale of the Premises contemplated by this Agreement will be consummated in the name of any such assignee, and, after any such assignment, Seller will look solely to such assignee for the performance and discharge of all the obligations and liabilities of Buyer hereunder, the Buyer, in such event, being relieved of any obligation and liability hereunder.

(9) **NO ASSUMPTION OF LIABILITIES.** Except as specifically set forth herein, Buyer and Seller agree that Buyer is not assuming any liability of Seller and Buyer hereby disclaims any debts, liabilities or obligations of Seller not so specifically assumed.

(10)**NOTICES.** Any notices, requests or other communications required or permitted to be given hereunder shall be in writing and shall be (i) delivered by hand or (ii) a widely recognized national overnight courier service for next business day delivery or (iii) mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each Party at its address as set forth below:

To Seller: Frick's Meat Products, Inc.
360 ME Frick Drive
Washington, MO 63090
Attention: Dave Frick

with a copy to: Eckelkamp Kuenzel, L.L.P.
200 W. Main Street
P.O. Box 228
Washington, Missouri 63090
Attention: Steven P. Kuenzel

and to Buyer: City of Washington, Missouri
405 Jefferson Street
Washington, Missouri 63090
Attention: James A. Briggs, P.E.

with a copy to: Lewis, Rice & Fingersh, L.C.
1200 Jefferson Street
P.O. Box 1040
Washington, Missouri 63090
Attention: Mark C. Piontek, Esq.

Any such notice, request or other communication shall be considered given or delivered, as the case may be, on the date of hand or overnight courier delivery or upon deposit in the United States mail as provided above. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, request or other communication. By giving at least five (5) days prior written notice thereof, any party may from time to time at any time change its mailing address hereunder.

(11)**DESTRUCTION, CONDEMNATION.** In the event of any material damage to or destruction of the Premises or any material portion thereof or in the event of any taking or threat of taking by condemnation (or any conveyance in lieu thereof of the Premises or any portion thereof by anyone having the power of eminent domain), Buyer shall, by written notice to Seller delivered within fifteen (15) days of receiving written notice from Seller of such event, elect to: (i) terminate this Agreement and all of Buyer's obligations under this Agreement and this Agreement shall become null and void and no party shall have any right, duty or obligation under this Agreement, or (ii) consummate the purchase of the Premises. If Buyer does not elect to terminate this Agreement, then Seller shall on the Closing Date pay to Buyer all insurance proceeds then received by Seller plus an amount equal to any deductible, or self insurance retention related to the casualty coverage, and all condemnation awards and compensation then received by Seller. In addition, Seller shall transfer and assign to Buyer, in form reasonably satisfactory to Buyer, all rights and claims of Seller with respect to payment for damages and compensation on account of such damage, destruction or taking. Seller will not settle any condemnation or eminent domain or any award or payment in connection with a change in grade of any street, road, highway or avenue in respect of or in connection with the Premises, or any portion thereof, without obtaining Buyer's prior consent in each case.

(12)**DEFAULT.**

(a) Seller's Default. One of the purposes of this Agreement is to bind Seller to sell the Premises described in Paragraph (1). If the sale and purchase of the Premises contemplated by this Agreement are not consummated on account of Seller's default hereunder. Buyer shall be entitled to all other rights or remedies of Buyer, at law or in equity, which shall include that of specific performance.

(b) Buyer's Default. Seller shall be entitled, as its sole and exclusive remedy hereunder, to payment of the Deposit as full and complete liquidated damages for any default of Buyer, the Parties hereto acknowledging that it is impossible to estimate more precisely the damages which might be

suffered by Seller upon Buyer's default. Seller's receipt of the Deposit is intended not as a penalty, but as liquidated damages. The right to receive the Deposit as full liquidated damages is Seller's sole and exclusive remedy in the event of default hereunder by Buyer, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue Buyer: (i) for specific performance of this Agreement, or (ii) to recover actual damages in excess of such sums.

(13)**EASEMENTS AND RIGHT-OF-WAYS.** Seller covenants and agrees that during the term of this Agreement, it shall not grant or enter into any easements, right-of-ways, contracts for work, or other agreements affecting the Premises, or the title thereto, without first obtaining the prior written consent of Buyer.

(14)**WARRANTIES, REPRESENTATIONS AND COVENANTS TO SURVIVE CLOSING.** The warranties, representations and covenants made by the Parties shall survive the Closing of this Agreement and the Closing Date and shall continue in full force and effect without termination. Wherever in this Agreement Seller or Buyer shall have agreed or promised to perform certain acts or grant certain easements or other rights, where the context of the Agreement would require such performance to occur after the Closing, then those agreements and covenants shall survive the Closing and continue to bind Seller and Buyer.

(15)**SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS.** As an inducement to Buyer to enter into this Agreement and to purchase the Premises, Seller warrants, represents and covenants to Buyer as of the Effective Date and as of the Closing, the following:

(a) Authority. Seller (i) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (ii) upon execution hereof will be legally obligated to Buyer in accordance with the terms and provisions of this Agreement.

(b) Title of the Premises. Seller owns 100% of the fee simple estate of the Premises.

(c) The Premises. All real property taxes and special assessments with respect to the Premises which were due and payable hereunder have been paid in full. There are no persons in possession of the Premises or any portion thereof other than Seller. No party to any reciprocal easement agreement affecting any of the Premises is in default thereunder and no event has occurred which, with the giving of notice, lapse of time or both, would constitute a default thereunder. No asset of any other person encroaches upon the Premises. All water, sewer, gas, electricity, telephone and other utilities serving the Premises are supplied directly to the Premises by facilities of public utilities. Seller has received all deeds, assignments, waivers, consents, non-disturbance and recognition or similar agreements, bills of sale and other documents, and duly effected all recordings, filings and other actions necessary to establish, protect and perfect its right, title and interest in and to the Premises

(d) Maintenance of the Premises. As of the Effective Date and through the Closing Date, Seller will: (i) not sell, lease or otherwise dispose of the Premises except to Buyer; (ii) maintain the Premises in as favorable a condition as the same is in on the Effective Date, except as otherwise set forth herein and except for normal wear and tear; and (iii) maintain insurance covering the Premises comparable to that in effect on the Effective Date.

(e) Conflicts. The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Seller on the Closing Date, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Premises as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition

under, any contract, agreement or other instrument to which Seller is a party, any judicial order or judgment of any nature by which Seller is bound.

(f) Condemnation. Seller has not received any notice of, nor is Seller aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Premises being taken by condemnation or conveyed in lieu thereof.

(g) Litigation. There is no action, suit or proceeding pending or, to Seller's knowledge threatened, by or against or affecting Seller or the Premises or any portion thereof which does or may affect any portion of the Premises or title thereto. Seller will defend, indemnify and otherwise hold Buyer harmless from any and all claims of any person due to, arising out of or relating to the Premises, including any and all costs, expenses, and attorneys' fees which Buyer may incur as a result of a breach of any representations hereunder. Seller will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Buyer written notice thereof.

(h) Assessments and Taxes. No assessments have been made against any portion of the Premises which are unpaid (except ad valorem taxes for the current year), whether or not they have become liens; and Seller shall notify Buyer of any such assessments which are brought to Seller's attention after the execution of this Agreement.

(i) Boundaries. (i) There is no dispute involving or concerning the location of the lines and corners of the Premises, and such lines and corners are clearly marked; (ii) to Seller's knowledge, there are no encroachments on the Premises and no portion of the Premises is located within any "Special Flood Hazard Area" designated by the United States Department of Housing and Urban Development and/or Federal Emergency Management Agency, or in any area similarly designated by any agency or other governmental authority; and (iii) no portion of the Premises is located within a watershed area imposing restrictions upon use of the Premises or any part thereof.

(j) No Violations. To Seller's knowledge, there are no violations of state, federal or local laws, ordinances, or other legal requirements with respect to the Premises or any portion thereof. Seller has not received notice (oral or written) that any municipality or governmental or quasi-governmental authority has determined that there are such violations. In the event Seller receives notice of any such violations prior to the Closing, Seller shall promptly notify Buyer thereof, and shall promptly and diligently defend any prosecution thereof and take any and all necessary actions to eliminate said violations.

(k) Foreign Ownership. Seller is not a "foreign person" as that term is defined in the U. S. Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto, and Buyer has no obligation under Section 1445 of the U. S. Internal Revenue Code of 1986, as amended, to withhold and pay over to the U. S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the regulations issued under said Section 1445).

(l) Prior Options. No prior options or rights of first refusal have been granted by Seller to any third parties to purchase or lease any interest in the Premises, or any part thereof.

(m) Mechanics and Materialmen. On the Closing Date, Seller will not be indebted to any contractor, laborer, mechanic, materialmen, architect or engineer for work, labor or services performed or rendered, or for materials supplied or furnished, in connection with the Premises for which any person

could claim a lien against the Premises and shall not have done any work on the Premises within one hundred eighty (180) days prior to such Closing Date.

(16)**WAIVER.** The failure to enforce any particular provision of this Agreement on any particular occasion shall not be deemed a waiver by either Party of any of its rights hereunder, nor shall it be deemed to be a waiver of subsequent or continuing breaches of that provision, unless such waiver be expressed in a writing signed by the Party to be bound.

(17)**DATE FOR PERFORMANCE.** If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal or bank holiday, then such time period will be automatically extended through the close of business on the next following business day.

(18)**FURTHER ASSURANCES.** The Parties agree that they will each take such steps and execute such documents as may be reasonably required by the other Party to carry out the intent and purposes of this Agreement.

(19)**SEVERABILITY.** In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not effect the remainder hereof, and the remaining provisions shall continue in full force and effect at the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

(20)**AMENDMENT AND MODIFICATION.** No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure herefrom, will in any event be effective unless the same is in writing and is signed by the Party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

(21)**CUMULATIVE REMEDIES.** The rights, privileges and remedies granted by Seller to Buyer hereunder shall be deemed to be cumulative and may be exercised by Buyer at its discretion. In the event of any conflict or apparent conflict between any such rights, privileges or remedies, Seller expressly agrees that Buyer shall have the right to choose to enforce any or all such rights, privileges or remedies.

(22)**AUTHORITY.** The undersigned Seller and Buyer hereby represent, covenant and warrant that all actions necessary will have been obtained and that they will have been authorized to enter into this Agreement and that no additional action will be necessary by them in order to make this Agreement legally binding upon them in all respects. Buyer and Seller covenant to provide written evidence of compliance with this Paragraph 24 prior to or at the Closing.

(23)**SUCCESSORS AND ASSIGNS.** The designation Seller and Buyer as used herein shall include said parties, their heirs, successors, representatives, and permitted assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

(24)**THIRD PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns, and no other person has any right, benefit, priority or interest under or because of the existence of this Agreement.

(25)**ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof and shall become a binding and enforceable Agreement

among the Parties hereto upon the full and complete execution and unconditional delivery of this Agreement by all Parties hereto. No prior verbal or written agreement with respect to the sale and purchase of the Premises shall survive the execution of this Agreement.

(26)**CAPTIONS.** Captions contained in this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

(27)**GOVERNING LAW.** This Agreement and the rights and obligations of the Parties are to be governed by and construed and interpreted in accordance with the laws of the State of Missouri.

(28)**COUNTERPARTS.** This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

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

"SELLER"

Frick's Meat Products, Inc.

By: _____
Name: Dave Frick
Title: President
Date:_____

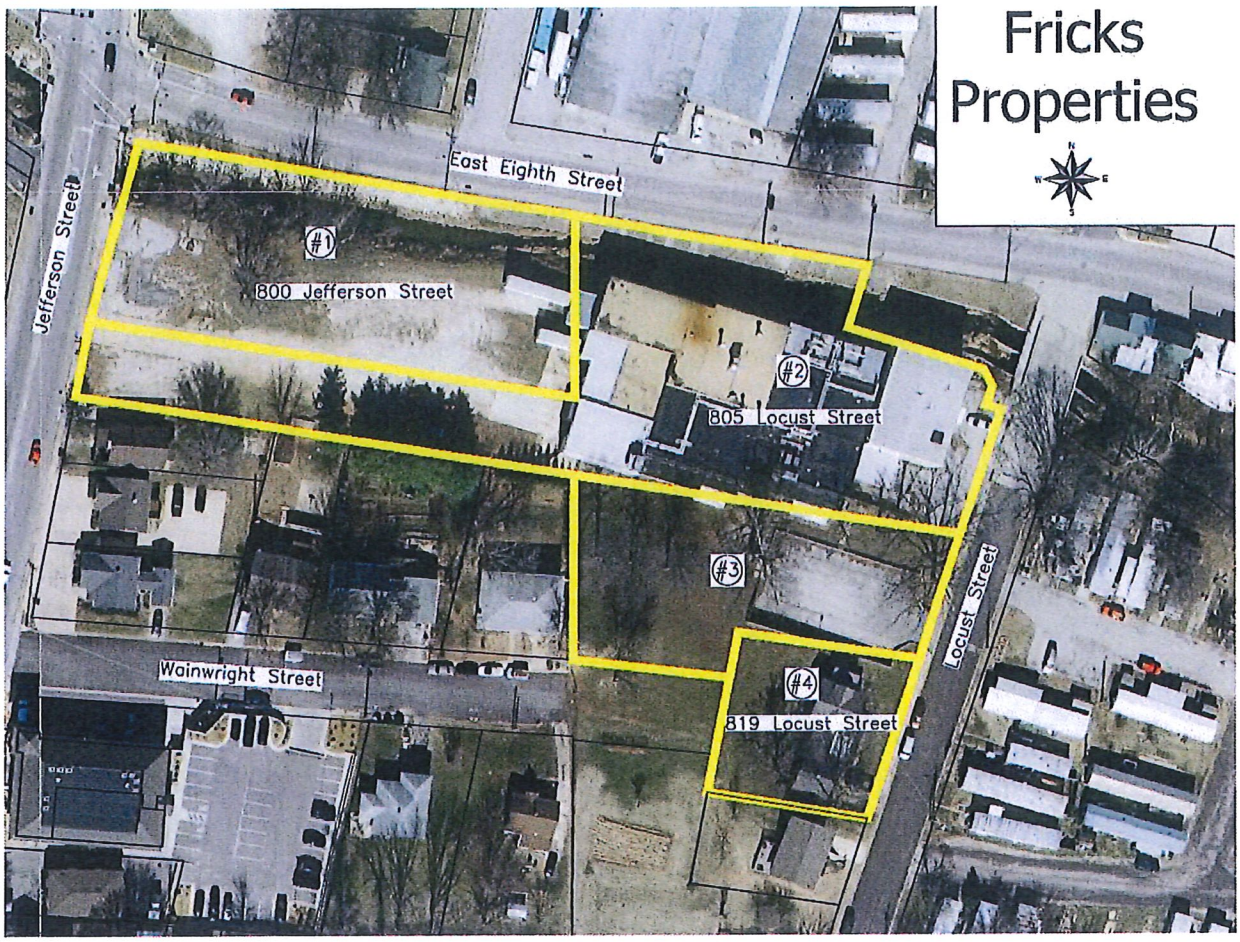
"BUYER"

City of Washington, Missouri

By: _____
Name: Sandy Lucy
Title: Mayor
Date:_____

EXHIBIT A

DEPICTION OF PREMISES



Parcel 1

****A parcel of land in the City of Washington, Missouri, described as follows, to-wit: Beginning at the Northeast corner of a 2.67 acre tract owned by Louis A. Brocker and wife as described in deed of record in Vol. 110, Page 320, thence North 81 degrees West 5.04 chains to the East side of Jefferson Street, thence Northwardly along Jefferson Street to the South line of Butcher Street, thence Eastwardly along the South line of Butcher Street to the Northwest corner of the Washington Distillaries property, thence South to the place of beginning, excepting a strip of ground of the uniform width of fifty (50) feet off the South side thereof.

SUBJECT TO the rights of Joseph F. Frankenberg and Lucille R. Frankenberg, his wife, as granted per deed recorded in Book 367, Page 267 of the Franklin County Recorder of Deeds' office.

SUBJECT TO easements, restrictions and conditions of record, if any.

Parcel 2

****A parcel of land in the City of Washington, fronting on the East side of Jefferson Street, more fully described as follows: Beginning at the Northeast corner of Steffens Subdivision to the City of Washington, and run thence North on property line to a point, which is 50 feet, perpendicular distance from the North line of said Steffens Subdivision, thence Westwardly parallel with and 50 feet distant from the North line of said Steffens Subdivision to the East line of Jefferson Street, thence Southwardly on the East line of said street to the Northwest corner of said Steffens Subdivision, thence Eastwardly on the North line of said Subdivision to the point of beginning.

Parcels 3 and 4

Lots 1 and 2 of Eissele Subdvision as per plat of record in Book N, Page 550 in the Office of the Recorder of Deeds of Franklin County, Missouri

EXHIBIT B

Buyer's Title Insurance Requirements

The following constitutes the standard minimum title insurance requirements:

1. Policy Date - As of the time and date of recording the Deeds.

2. Form of Policy - ALTA Form B-1970, revised 10/17/70 and 10/17/84.

3. Policy Amount - land cost.

4. Interest insured - Parcel 1 should be the fee simple interest and Parcel 2, etc. any and all easement rights under access, drainage, storm water, etc. easements and/or reciprocal easement agreements.

5. Standard exceptions - must be removed on final policy.

6. Existing easements and other limited rights - legible copies of all documents must be attached to the commitment, numbered to correspond with the exceptions identified in the commitment.

7. (a) Identify any and all environmental liens ever filed against the property, even if subsequently released or (b) contain a statement that the search has not identified any such liens.

8. The Commitment shall contain endorsements stating (i) all parcels comprising the Premises are contiguous (if the Premises is comprised of more than one parcel) and that the Premises is contiguous to any property containing easements appurtenant thereto, (ii) the Premises is the same as the legal description provided in the survey (with specific reference given to the survey), (iii) that the Premises abuts the public street(s) immediately adjacent thereto and has the right of ingress and egress to and from the Premises by means of Winghaven Boulevard and access to Phoenix Parkway, each a dedicated public road.

BILL NO._____INTRODUCED BY_____

ORDINANCE NO._____

AN ORDINANCE AUTHORIZING AND DIRECTING THE EXECUTION OF A CONTRACT WITH COCHRAN ENGINEERING FOR MATERIALS TESTING FOR THE 2016 OVERLAY AND CONCRETE REPLACEMENT PROJECT IN THE CITY OF WASHINGTON, FRANKLIN COUNTY, MISSOURI

Be it ordained by the Council of the City of Washington, Missouri, as follows:

SECTION 1: The City of Washington, Missouri, is hereby authorized and directed to execute an Agreement by and between the City of Washington, Missouri and Cochran Engineering for professional services associated with the 2016 Overlay and Concrete Replacement Project in the City of Washington, Missouri. A copy of this agreement is attached and is marked at "Exhibit A".

SECTION 2: The Mayor and City Clerk are hereby authorized and directed to execute said contract, and to do all things necessary by the terms of said contract.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance shall take effect and be in full force from and after its passage and approval.

PASSED:_____

ATTEST:_____ _____
City Clerk President of the City Council

APPROVED:_____

ATTEST:_____ _____
City Clerk Mayor of Washington, Missouri

EXHIBIT "A"
CONTRACT AGREEMENT
2016 ASPHALT AND CONCRETE REPLACEMENT

THIS AGREEMENT, made and entered into this_____ day of_____, 2016, by and between the CITY OF WASHINGTON, MISSOURI, party of the first part; hereinafter termed the "City", and _Cochran Engineering, party of the second part, hereinafter termed in this agreement as the "Contractor".

WITNESSETH:

THAT WHEREAS, the City has caused to be prepared specifications and other contract documents for the work herein described, and has approved and adopted these contract documents and has invited proposals for the furnishing of materials, labor and equipment for, and in connection with, the construction of improvements in accordance with the terms of this contract; and,

WHEREAS, the Contractor, in response to the invitation, submitted to the City in the manner and at the time specified, a proposal in accordance with the terms of the contract; and,

WHEREAS, the City has opened, examined and canvassed the proposals submitted, and as a result of such canvass, has determined and declared the Contractor to be the lowest responsive and responsible bidder for constructing said improvements, and has duly awarded to the said Contractor contract therefore, for the sum or sums named in the proposal attached to and made a part of this contract;

NOW THEREFORE, THIS AGREEMENT WITNESSETH, that the parties to these presents, in consideration of the compensation to be paid the Contractor, and of the mutual agreements herein contained, have agreed and hereby agree the City for itself, and its successors and the Contractor for itself, himself, or themselves, its, his or their successors and assigns, to its, his or their executors and administrators, as follows:

ARTICLE I: That the Contractor will furnish at his own cost and expense, all labor, tools, equipment and materials required, and construct and complete in a good first class and workmanlike manner, the work as designated, described and required by the plan, specifications and proposals for construction of the improvement, all in accordance with the specifications, general conditions, supplementary conditions, instructions to bidders, proposal, and other specified documents, all of which contract documents from the contract, and are as fully a part thereof as if repeated verbatim herein; all work to be done under the direct supervision, and to the entire satisfaction of the City.

Contractor shall provide (a) a ten-hour Occupational Safety and Health

Administration (OSHA) construction safety program for its employees working onsite on the project. The program shall include a course in construction safety and health approved by OSHA or a similar program approved by the Missouri Department of Labor and Industrial Relations which is at least as stringent as an approved OSHA program. All employees working on the project are required to complete the program within sixty (60) days of beginning work on the construction project. (b) Any employee found on the worksite subject to this section without documentation of the successful completion of the course required under subsection (a) shall be afforded 20 days to produce such documentation before being subject to removal from the project. (c) Contractor shall require all onsite employees of any subcontractors to complete the ten-hour training program required under subsection (a). (d) Pursuant to Sec. 272.675 RSMo., Contractor shall forfeit as a penalty to the City $2,500.00 plus $100.00 for each employee employed by Contractor or subcontractor, for each calendar day, or portion thereof, such employee is employed without the required training. The penalty shall not begin to accrue until the time periods in subsections (a) and (b) have elapsed. City shall withhold and retain from the amount due Contractor under this contract, all sums and amounts due and owing City as a result of any violation of this section.

ARTICLE II: Specifically, the Contractor shall comply in all respects with the Anti-Discrimination Provisions.

ARTICLE III: That the Contractor shall be held to comply with all requirements of the Prevailing Wage Law of the State of Missouri, and shall forfeit as a penalty to the state, county, city and county, city town, district, or other political subdivision on whose behalf the contract is made or awarded, ten dollars ($10.00) for each workman employed, for each working day, or portion thereof, such workman is paid less than the said stipulated rates for any work done under this contract, by him or by any subcontractor under him.

ARTICLE IV: Contractor agrees to comply with Missouri Revised Statute Section 285.530.1 in that it shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri. As a condition for the award of this contract, the Contractor shall, by sworn affidavit, and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. The Contractor shall also sign the affidavit, attached hereto and made a part of this contract, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Contractor shall require each subcontractor to affirmatively state in its contract with Contractor that the subcontractor shall not knowingly employ, hire for employment or continue to employ an unauthorized alien to perform work within the State of Missouri and shall not henceforth do so. Alternatively, Contractor shall require each subcontractor to provide

Contractor with a sworn affidavit under the penalty of perjury attesting to the fact that the subcontractor's employees are lawfully present in the United States.

ARTICLE V: That the City will pay the Contractor for the performance of this Contract and the Contractor will accept in full compensation therefore, the sum of Thirteen Thousand Seven Hundred and Twenty Four($13,724.00), for all work covered in the Base Proposal Bid.

IN WITNESS WHEREOF, the parties have made and executed this Agreement the day and year first above written.

CITY OF WASHINGTON COUNTY OF FRANKLIN STATE OF MISSOURI	Cochran Engineering
By:_____ Mayor	_____ Contractor
_____ City Clerk	_____ Title

CITY OF
WASHINGTON
MISSOURI

July 25, 2016

Honorable Mayor and City Council
City of Washington
Washington, MO 63090

RE: 2016 Overlay and Concrete Replacement – Sixth Street / Third Street
Materials Testing

Dear Mayor and City Council Members:

The Engineering Department is requesting approval to enter into contract with Cochran on completing materials testing for the 2016 Overlay Project. The scope of the work is to perform various concrete testing, compaction, testing, and overall 3rd party inspections.

The fee to complete the work is $13,724.00.

Respectfully submitted,

John Nilges, P.E.
City Engineer

PLANNING & ENGINEERING SERVICES
405 JEFFERSON STREET
WASHINGTON, MO 63090

(636) 390-1010 • FAX: (636) 239-4649 • www.ci.washington.mo.us

BILL NO. 16-_____ **INTRODUCED BY COUNCILMAN _____**

ORDINANCE NO. 16-_____

AN ORDINANCE AUTHORIZING THE CITY OF WASHINGTON, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (VALENT AEROSTRUCTURES, LLC PROJECT), SERIES 2016A, IN A PRINCIPAL AMOUNT NOT TO EXCEED $4,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING AND CONSTRUCTING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Washington, Missouri, a third-class city and political subdivision of the State of Missouri (the "City"), is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, improve and equip certain projects (as defined in the Act), to issue industrial revenue bonds for the purpose of providing funds to pay the costs of such projects, and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, Valent Aerostructures, LLC, a Delaware limited liability company (the "Company") has requested that the City issue its Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in the maximum principal amount of $4,000,000 (the "Bonds"), for the purpose of acquiring approximately 7 acres of land located at 6325 Avantha Drive in the City (the "Project Site"), and constructing thereon an approximately 30,000 square foot addition (the "Project Improvements" and, together with the Project Site, the "Project") to the Company's existing manufacturing facility, as more fully described in the Indenture and in the Lease Agreement hereinafter authorized; and

WHEREAS, the City Council hereby finds and determines that it is desirable for the improvement of the economic welfare and development of the City and within the public purposes of the Act that the City: (1) issue the Bonds to finance the costs of acquiring the Project Site and constructing the Project Improvements from the proceeds of the Bonds, subject to certain terms and condition set forth in this Ordinance; (2) lease the Project to the Company; and (3) enter into a Performance Agreement with the Company, under which the Company will make certain payments to the City in consideration of the City issuing the Bonds; and

WHEREAS, the City Council further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, MISSOURI, AS FOLLOWS:

Section 1. Authorization for the Project. The City is hereby authorized to provide for the purchase, construction, improvement and installation of the Project, all in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

be

Section 2. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds as described in the recitals hereto for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the Indenture described below and shall have such terms, provisions, covenants and agreements as are set forth in the Indenture.

Section 3. Limitation on Liability. The Bonds and the interest thereon shall be limited obligations of the City, payable solely out of certain payments, revenues and receipts derived by the City from the Lease Agreement described below. Such payments, revenues and receipts shall be pledged and assigned to the bond trustee named therein (the "Trustee") as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State of Missouri (the "State") or any political subdivision thereof, and neither the City nor the State shall be liable thereon. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 4. Authorization of Documents. The City is hereby authorized to enter into the following documents, in substantially the forms presented to and approved by the City Council and attached to this Ordinance, with such changes therein as shall be approved by the officials of the City executing the documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture (the "Indenture") between the City and the Trustee, in substantially the form attached hereto as **Exhibit A**, pursuant to which the Bonds will be issued and the City will pledge the Project and assign certain of the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture.

(b) Special Warranty Deed between the Company, as grantor, and the City, as grantee, in substantially the form attached hereto as **Exhibit B**, under which the City will acquire the Project Site.

(c) Lease Agreement (the "Lease Agreement") between the City and the Company, in substantially the form attached hereto as **Exhibit C**, under which the City will lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

(d) Bond Purchase Agreement between the City and the Company, in substantially the form attached hereto as **Exhibit D**.

(e) Performance Agreement between the City and the Company, in substantially the form attached hereto as **Exhibit E**.

In addition, the City is hereby authorized to enter into one or more deeds of trust from the City to the mortgage trustee named therein for the benefit of the Company's lenders, in form and substance acceptable to the City Attorney.

The above documents are collectively referred to as the "City Documents."

Section 5. Execution of Documents. The Mayor is hereby authorized to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor is hereby authorized to execute the City

Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 6. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents. The Mayor is hereby authorized, through the term of the Lease Agreement, to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing of the Project by the Company, and such easements, licenses, rights-of-way, plats and similar documents as may be requested by the Company) as may be required to carry out and comply with the intent of this Ordinance, the Indenture and the Lease Agreement. The Mayor is also authorized, unless otherwise expressly provided herein to the contrary, to grant on behalf of the City such consents, estoppels and waivers relating to the Bonds, the Indenture, the Lease Agreement or the Performance Agreement, including extensions of the Completion Date, as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease Agreement or adversely affect the tax exemption as provided for therein, waive an Event of Default, or materially change the nature of the transaction unless approved by an ordinance of the City Council.

Section 7. Severability. If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the City Council that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer valid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

Section 8. Effective Date. This Ordinance shall take effect and be in full force immediately after its passage and approval.

Passed:_____

ATTEST:_____ _____
President of City Council

Approved:_____

ATTEST:_____ _____
Mayor of Washington, Missouri

EXHIBIT A

TRUST INDENTURE

CITY OF WASHINGTON, MISSOURI,

AND

UMB BANK, N.A.
as Trustee

TRUST INDENTURE

Dated as of August 1, 2016

Relating to:

$4,000,000
(Aggregate Maximum Principal Amount)
City of Washington, Missouri
Taxable Industrial Revenue Bonds
(Valent Aerostructures, LLC Project)
Series 2016A

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of August 1, 2016 (the "Indenture"), between the **CITY OF WASHINGTON, MISSOURI,** a third-class city organized and existing under the laws of the State of Missouri (the "City"), and **UMB BANK, N.A.**, a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, as Trustee (the "Trustee");

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, improve and equip certain projects (as defined in the Act) and to issue industrial revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed Ordinance No. ____ (the "Ordinance") on August 1, 2016, authorizing the City to issue its Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in the maximum principal amount of $4,000,000 (the "Bonds"), for the purpose of acquiring approximately 7 acres of land located at 6325 Avantha Drive in the City (the "Project Site," as legally described in the hereinafter-defined Lease), and constructing thereon an approximately 30,000 square foot addition (the "Project Improvements") to an existing manufacturing facility owned by Valent Aerostructures, LLC, a Delaware limited liability company (the "Company").

3. The Ordinance authorizes the City to lease the Project Site and the Project Improvements (collectively, the "Project") to the Company.

4. Pursuant to the Ordinance, the City is authorized to execute and deliver this Indenture for the purpose of issuing and securing the Bonds, and to enter into the Lease Agreement of even date herewith (the "Lease") with the Company, under which the City, as lessor, will, or will cause the Company to, purchase and construct the Project and will lease the Project to the Company, as lessee, in consideration of rentals that will be sufficient to pay the principal of and interest on the Bonds.

5. All things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding obligations of the City, and to constitute this Indenture a valid and legally binding pledge and assignment of the Trust Estate (defined herein) herein made for the security of the payment of the principal of and interest on the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

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

(a) All right, title and interest of the City in and to the Project together with the tenements, hereditaments, appurtenances, rights, easements, privileges and immunities thereunto belonging or appertaining and, to the extent permissible, all permits, certificates, approvals and authorizations;

(b) All right, title and interest of the City in, to and under the Lease (excluding the Unassigned Rights, as defined herein), and all rents, revenues and receipts derived by the City from the Project including, without limitation, all rentals and other amounts to be received by the City and paid by the Company under and pursuant to and subject to the provisions of the Lease; and

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

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

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Owners from time to time of the Bonds 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 City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined in the Lease, which definitions shall be deemed to be incorporated herein, and terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Act" means, collectively, Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended.

"Additional Rent" means the additional rental described in **Section 5.2** of the Lease.

"Approved Investor" means (i) the Company or (ii) any Person approved by the City Council.

"Authorized City Representative" means the Mayor, the City Administrator or such other Person at the time designated to act on behalf of the City as evidenced by written certificate furnished to the Company and the Trustee containing the specimen signature of such Person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

"Authorized Company Representative" means the Person at the time designated to act on behalf of the Company as evidenced by written certificate furnished to the City and the Trustee containing the specimen signature of such Person and signed on behalf of the Company by an authorized officer 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.

"Basic Rent" means the rental described in **Section 5.1** of the Lease.

"Bond" or **"Bonds"** means the Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in the maximum aggregate principal amount of $4,000,000, issued, authenticated and delivered under and pursuant to this Indenture.

"Bond Fund" means the "City of Washington, Missouri, Bond Fund -- Valent Aerostructures, LLC Project" created in **Section 501** of this Indenture.

"Bond Purchase Agreement" means the agreement by that name with respect to the Bonds by and between the City and the Purchaser.

"Business Day" means any day other than a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the principal corporate trust office or the principal payment office of the Trustee are required or authorized by law to remain closed.

"City" means the City of Washington, Missouri, a third-class city organized and existing under the laws of the State.

"Closing Date" means the date identified in the Bond Purchase Agreement for the initial issuance and delivery of the Bonds.

"Closing Price" means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date, which amount shall be equal to any Project Costs spent by the Company from its own funds before the Closing Date, and the costs of issuance of the Bonds if such costs are not paid from Bond proceeds.

"Company" means Valent Aerostructures, LLC, a Delaware limited liability company, and its successors or assigns.

"Completion Date" means the date of execution of the certificate required by **Section 4.5** of the Lease and **Section 504** hereof or December 31, 2017, whichever is earlier.

"Costs of Issuance Fund" means the "City of Washington, Missouri, Costs of Issuance Fund -- Valent Aerostructures, LLC Project" created in **Section 501** of this Indenture.

"Cumulative Outstanding Principal Amount" means the aggregate principal amount of all Bonds Outstanding under the provisions of this Indenture, not to exceed $4,000,000, as reflected in the records maintained by the Trustee as provided in the Bonds and this Indenture.

"Event of Default" means, with respect to this Indenture, any Event of Default as defined in **Section 901** hereof and, with respect to the Lease, any Event of Default as described in **Section 12.1** of the Lease.

"Financing Document" means any loan agreement, credit agreement, security agreement, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement or other document related to the Project and executed by or on behalf of a Financing Party.

"Financing Party" means any Person providing debt, lease or equity financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the development, construction, ownership, lease, operation or maintenance of the Project or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person's behalf.

"Full Insurable Value" means the reasonable replacement cost of the Project less physical depreciation and exclusive of land, excavations, footings, foundation and parking lots as determined at the expense of the Company from time to time.

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

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

"Investment Securities" means any of the following securities:

(a) Government Securities;

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

(c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;

(d) 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 or any of its affiliates), provided that such certificates of deposit shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence 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 at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least $100,000,000, and which shares, at the time of purchase, are rated by Standard & Poor's and Moody's in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or

(f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

"Lease" means the Lease Agreement dated as of August 1, 2016 between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

"Lease Term" means the period from the effective date of the Lease until the expiration thereof pursuant to **Section 3.2** of the Lease.

"Leasehold Mortgage" means any leasehold mortgage, leasehold deed of trust, assignment of rents and leases, security agreement or other agreement relating to the Project permitted pursuant to the provisions of **Section 10.4** of the Lease.

"Net Proceeds" means, when used with respect to any insurance or condemnation award with respect to the Project, the gross proceeds from the insurance or condemnation award remaining after payment of all expenses (including attorneys' fees, Trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

"Outstanding" when used with reference to Bonds, means, as of a particular date, all Bonds theretofore authenticated and delivered, except:

(a) Bonds previously cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and

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

"Owner" means the registered owner of any Bond as recorded on the bond registration records maintained by the Trustee.

"Paying Agent" means the Trustee and any other bank or trust company designated by this Indenture as paying agent for the Bonds at which the principal of or interest on the Bonds shall be payable.

"Payment Date" means the date on which principal or interest on any Bond, whether at the stated maturity thereof or the redemption date thereof, is payable, which shall be December 1 of each year that the Bonds are Outstanding.

"Performance Agreement" means the Performance Agreement dated as of August 1, 2016 between the City and the Company.

"Permitted Encumbrances" means, as of any particular time, as the same may encumber the Project Site, (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Indenture, the Lease and the Performance Agreement, (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, (d) such minor defects, irregularities, encumbrances, easements, mechanic's liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Site and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the City, (e) liens or security interests granted pursuant to any Leasehold Mortgage or any Financing Documents and (f) such exceptions to title set forth in the Commitment for Title Insurance No. _____ issued by _____dated _____ ___, 20__.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, bank, insurance company, unincorporated association, joint venture or other entity of whatever nature.

"Plans and Specifications" means the plans and specifications prepared for and showing the Project, as amended by the Company from time to time before the Completion Date, the same being on file at the principal office of the Company, and which shall be available for reasonable inspection during normal business hours and upon not less than one Business Day's prior notice by the City, the Trustee and their duly appointed representatives.

"Project" means the project referred to in the recitals of this Indenture, including the Project Site and the Project Improvements as they may at any time exist.

"Project Costs" means all costs of purchase and construction of the Project, including the following:

(a) all costs and expenses necessary or incident to the acquisition, construction and improvement of the Project Improvements located on the Project Site;

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

(c) all costs and expenses of every nature incurred in purchasing and constructing the Project Improvements and otherwise improving the Project Site, including the actual cost of labor and materials as payable to contractors, builders and materialmen in connection with the purchase and construction of the Project;

(d) interest accruing on the Bonds until the Completion Date;

(e) the cost of title insurance policies and the cost of any other insurance maintained until the Completion Date in accordance with **Article VII** of the Lease;

(f) reasonable expenses of administration, supervision and inspection properly chargeable to the Project, legal fees and expenses of Bond Counsel and counsel to the City, fees and expenses of accountants and other consultants, publication and printing expenses, and initial fees and expenses of the Trustee to the extent that said fees and expenses are necessary or incident to the issuance and sale of the Bonds or the purchase and construction of the Project;

(g) all other items of expense not elsewhere specified in this definition as may be necessary or incident to: (1) the authorization, issuance and sale of the Bonds, including costs of issuance of the Bonds; (2) the purchase and construction of the Project; and (3) the financing thereof; and

(h) reimbursement to the Company or those acting for it for any of the above enumerated costs and expenses incurred and paid by them before or after the execution of the Lease.

"Project Fund" means the "City of Washington, Missouri, Project Fund -- Valent Aerostructures, LLC Project" created in **Section 501** of this Indenture.

"Project Improvements" means the buildings, structures, improvements and fixtures to be purchased, constructed, installed and otherwise improved on the Project Site pursuant to **Article IV** of the Lease and paid in whole or in part from the proceeds of Bonds, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease.

"Project Site" means all of the real estate as described in **Exhibit A** attached to the Lease and by this reference made a part hereof.

"Purchaser" means the entity identified in the Bond Purchase Agreement as the purchaser of the Bonds.

"State" means the State of Missouri.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture entered into by the City and the Trustee pursuant to **Article XI** hereof.

"Supplemental Lease" means any supplement or amendment to the Lease entered into pursuant to **Article XII** hereof.

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

"Trustee" means UMB Bank, N.A., St. Louis, Missouri, a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the United States of America, and its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as Trustee under this Indenture.

"Unassigned Rights" means the City's rights under the Lease to receive moneys for its own account and the City's rights to indemnification or to be protected from liabilities by insurance policies required by the Lease, as provided in the Lease.

Section 102. Rules of Interpretation.

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

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

ARTICLE II

THE BONDS

Section 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 Washington, Missouri, Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A." The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to $4,000,000.

Section 202. Nature of Obligation. The Bonds and the interest thereon shall be special, limited obligations of the City payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease, and not from any other fund or source of the City. The Bonds are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners, as provided in this Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State or any political subdivision thereof, and neither the City, the State nor any political subdivision thereof shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 203. Denomination, Number and Dating of the Bonds.

(a) The Bonds shall be issuable in the form of one fully-registered Bond, in substantially the form set forth in **Exhibit A** hereto, in the denomination of $0.01 or any multiple thereof.

(b) The Bonds shall be dated by the Trustee as of the date of initial delivery thereof as provided herein. If the Bonds are at any time thereafter transferred, any replacement Bonds shall be dated as of the date of authentication thereof.

Section 204. Method and Place of Payment of Bonds.

(a) The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for payment of public and private debts.

(b) Payment of the principal of the Bonds shall be made upon the presentation and surrender of such Bonds at the principal payment office of any Paying Agent named in the Bonds. The payment of principal on the Bonds shall be noted on the Bonds on **Schedule I** thereto and the registration books maintained by the Trustee pursuant to **Section 206**. Payment of the interest on the Bonds shall be made by the Trustee on each Payment Date to the Person appearing on the registration books of the Trustee hereinafter provided for as the Owner thereof on the fifteenth day (whether or not a Business Day) of the

calendar month next preceding such Payment Date by check or draft mailed to such Owner at such Owner's address as it appears on such registration books.

(c) The Bonds and the original **Schedule I** thereto shall be held by the Trustee in trust, unless otherwise directed in writing by the Owner. If the Bonds are held by the Trustee, the Trustee shall, on each Payment Date, send a revised copy of **Schedule I** via facsimile or other electronic means to the Owner, the Company (if not the Owner) and the City. Absent manifest error, the amounts shown on **Schedule I** as noted by the Trustee shall be conclusive evidence of the principal amount paid on the Bonds.

(d) If there is one Owner of the Bonds, the Trustee is authorized to make the final or any interim payments of principal on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated in writing by such Owner and located in the continental United States. The Trustee is also authorized to make interest payments on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated by such Owner and located in the continental United States.

(e) If the Company is the sole Owner of the Bonds, then the Company may set-off its obligation to the City as lessee under the Lease against the City's obligations to the Company as the bondholder under this Indenture. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred. On the final Payment Date, the Company may deliver to the Trustee for cancellation the Bonds and the Company shall receive a credit against the Basic Rent payable by the Company under **Section 5.1** of the Lease in an amount equal to the remaining principal on the Bond so tendered for cancellation plus accrued interest thereon.

Section 205. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of the City Clerk, and shall have the corporate seal of the City affixed thereto or imprinted thereon. If any officer whose signature or facsimile thereof appears on the Bonds ceases to be such officer before the delivery of such Bond, 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 may be signed by such Persons as at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit B** hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purposes until such Certificate of Authentication has been duly executed by the Trustee. The executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee.

Section 206. Registration, Transfer and Exchange of Bonds.

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

(b) The Bonds may be transferred to an Approved Investor only upon the books kept for the registration and transfer of Bonds upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. In connection with any such transfer of the Bonds, the City and the Trustee shall receive an executed representation letter signed by the proposed assignee in substantially the form of **Exhibit B** hereto. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new fully registered Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture, in an aggregate principal amount equal to the Outstanding principal amount of such Bond, of the same maturity and bearing interest at the same rate.

(c) In all cases in which Bonds are exchanged or transferred hereunder the provisions of any legend restrictions on the Bonds shall be complied with and the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. The City or the Trustee may make a reasonable 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 before any such new Bond shall be delivered. Neither the City nor the Trustee shall be required to make any such exchange or transfer of Bonds during the 15 days immediately preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) If any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure, which amount may be deducted by the Trustee from amounts otherwise payable to such Owner under such Owner's Bond.

Section 207. Persons Deemed Owners of Bonds. As to any Bond, the Person in whose name the same is registered as shown on the bond registration books required by **Section 206** hereof shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Owner thereof or a legal representative thereof. 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 the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of $4,000,000 for the purpose of providing funds to pay Project Costs, which Bonds shall be designated "City of Washington, Missouri, Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project) Series 2016A." The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on December 1, 2027 (subject to prior redemption as provided in **Article III**) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

(b) The Trustee is hereby designated as the Paying Agent. The Owners of a majority of Bonds then Outstanding may designate a different Paying Agent upon written notice to the City and the Trustee.

(c) The Bonds shall be executed without material variance from the form and in the manner set forth in **Exhibit A** hereto and delivered to the Trustee for authentication. Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

(1) A copy of the Ordinance;

(2) Executed counterparts of this Indenture, the Lease, the Performance Agreement and the Bond Purchase Agreement;

(3) A representation letter from the Purchaser in substantially the form attached as **Exhibit B** hereto;

(4) A request and authorization to the Trustee on behalf of the City, executed by the Authorized City Representative, to authenticate the Bonds and deliver the same to or at the written direction of the Purchaser upon payment to the Trustee, for the account of the City, of the purchase price thereof specified in the Bond Purchase Agreement. The Trustee shall be entitled to conclusively rely upon such request and authorization as to names of the purchaser and the amount of such purchase price;

(5) An opinion of counsel nationally recognized on the subject of municipal bonds to the effect that the Bonds constitute valid and legally binding limited and special revenue obligations of the City;

(6) An opinion of counsel nationally recognized on the subject of municipal bonds stating that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

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

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, either:

(1) The Purchaser shall pay the Closing Price to the Trustee, and the Trustee shall endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to or upon the order of the Purchaser; or

(2) The Company shall submit a requisition certificate in accordance with **Section 4.4** of the Lease, in an amount equal to the Closing Price, and the Trustee shall authenticate and endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to the Company (or another purchaser designated by the Company).

In either case, the Purchaser shall be deemed to have paid over to the Trustee, and the Trustee shall be deemed to have deposited into the Project Fund, an amount equal to the Closing Price.

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease. If the Purchaser does not

pay to the Trustee the amount set forth in the requisition certificate, the Purchaser will be deemed to have advanced an amount equal to the amount set forth in the requisition certificate and the Trustee shall endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The date of endorsement of each Principal Amount Advanced as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total requisitions submitted for the Project, and shall notify the City if the requisitions submitted exceed the maximum principal amount of the Bonds.

(f) The Bonds shall bear interest at the rate of 5.0% per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2016, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full, but not later than December 1, 2027. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

(g) The Trustee shall keep and maintain a record of the amount deposited or deemed to be deposited into the Project Fund pursuant to the terms of this Indenture as "Principal Amount Advanced" and shall enter the aggregate principal amount of the Bonds then Outstanding on its records as the "Cumulative Outstanding Principal Amount" on **Schedule I** to the Bonds. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Owners, pursuant to the redemption provisions of this Indenture, the Trustee shall enter on its records and **Schedule I** to the Bonds the principal amount paid on the Bonds as "Principal Amount Redeemed," and shall enter the then Outstanding principal amount of the Bonds as "Cumulative Outstanding Principal Amount." The records maintained by the Trustee as to amounts deposited into the Project Fund or principal amounts paid on the Bonds shall be the official records of the Cumulative Outstanding Principal Amount for all purposes, absent manifest error, and shall be in substantially the form of the Table of Cumulative Outstanding Principal Amount as set out in the form of Bonds in **Exhibit A** hereto. If any moneys are deposited by the Trustee into the Project Fund, then the Trustee shall provide a statement of receipts and disbursements with respect thereto to the City and the Company on a monthly basis. After the Project has been completed and the certificate of payment of all costs is filed as provided in **Section 4.5** of the Lease, the Trustee, to the extent it has not already done so pursuant to this Section or **Section 1012** hereof, shall file a final statement of receipts and disbursements with respect thereto with the City and the Company.

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to save, defend and hold each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

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

(b) All Bonds cancelled under any of the provisions of this Indenture shall be destroyed by the Trustee in accordance with applicable laws and regulations and the Trustee's policies and practices. The Trustee shall execute a certificate describing the Bonds so destroyed, and shall file executed counterparts of such certificate with the City and the Company.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) The Bonds are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease. If only a portion of the Bonds are to be redeemed, (1) Bonds aggregating at least 10% of the maximum aggregate principal amount of Bonds authorized hereunder shall not be subject to redemption and payment before the stated maturity thereof, and (2) the Trustee shall keep a record of the amount of Bonds to remain Outstanding following such redemption. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

(b) The Bonds are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to **Sections 9.1(f)** or **9.2(c)** of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph (b), money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

(c) At its option, the Company may deliver to the Trustee for cancellation any Bonds owned by the Company and not previously paid, and the Company shall receive a credit against the amounts payable by the Company for the redemption of such Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest.

Section 302. Effect of Call for Redemption. Before or on the date fixed for redemption, funds, Government Securities, or a combination thereof, shall be placed with the Trustee which are sufficient to pay the Bonds called for redemption and accrued interest thereon, if any, to the redemption date. Upon the happening of the above conditions and appropriate written notice having been given, 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. If the Bonds are fully redeemed before maturity and an amount of money equal to the Trustee's and the Paying Agent's agreed to fees and expenses hereunder accrued and to accrue in connection with such redemption is paid or provided for, the City shall, at the Company's direction, deliver to the Company the items described in **Section 11.2** of the Lease.

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least 40 days (10 days if there is one Owner) before the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least 30 days (five days if there is one Owner) before the scheduled redemption date by first-class mail (or facsimile, if there is one Owner) stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owners in writing.

ARTICLE IV

FORM OF BONDS

Section 401. Form Generally. The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be issued in substantially the forms set forth in **Exhibit A**. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirements of law with respect thereto.

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the City:

(a) "City of Washington, Missouri, Project Fund – Valent Aerostructures, LLC Project" (herein called the "Project Fund").

(b) "City of Washington, Missouri, Costs of Issuance Fund – Valent Aerostructures, LLC Project" (herein called the "Costs of Issuance Fund").

(c) "City of Washington, Missouri, Bond Fund – Valent Aerostructures, LLC Project" (herein called the "Bond Fund").

Section 502. Deposits into the Project Fund. The proceeds of the sale of the Bonds (whether actually paid or deemed paid under **Section 208(d)** hereof), including Additional Payments as defined in the Bond Purchase Agreement, when received, excluding such amounts required to be paid into the Bond Fund pursuant to **Section 601** hereof, shall be deposited by the Trustee into the Project Fund. Any money received by the Trustee from any other source for the purpose of purchasing, constructing and installing

the Project shall pursuant to any written directions from the Person depositing such moneys also 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, or reimbursement to the Company (or any other party that has made payment on behalf of the Company) for payment of, Project Costs upon receipt of requisition certificates signed by the Company in accordance with the provisions of **Article IV** of the Lease. The Trustee hereby covenants and agrees to disburse such moneys in accordance with such provisions.

(b) If, pursuant to **Section 208(d)**, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

(c) In paying any requisition under this Section, the Trustee may rely as to the completeness and accuracy of all statements in such requisition certificate if such requisition certificate is signed by the Authorized Company Representative. If the City so requests in writing, a copy of each requisition certificate submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the City. The City hereby authorizes and directs the Trustee to make disbursements in the manner and as provided for by the aforesaid provisions of the Lease.

Section 504. Completion of the Project. The completion of the purchase and construction of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the certificate required by the provisions of **Section 4.5** of the Lease. As soon as practicable after the Completion Date, any balance remaining in the Project Fund shall without further authorization be transferred by the Trustee to the Bond Fund and applied as provided in **Section 4.6** of the Lease.

Section 505. Deposits into and Disbursements from the Costs of Issuance Fund. Any money deposited by the Company in the Costs of Issuance Fund shall be used solely to pay costs of issuing the Bonds or be refunded to the Company as hereinafter provided. The Trustee shall without further authorization disburse from the Costs of Issuance Fund, to the extent available, money sufficient to pay the amounts shown in a closing memorandum provided to the Trustee on or before the date of delivery of the Bonds and as a condition thereto, which shall have attached thereto the statements, invoices and related items described in said closing memorandum. The Trustee may rely conclusively on the amounts due as shown in the closing memorandum and will not be required to make any independent inspection or investigation in connection therewith. Any of such money not used to pay costs of issuance by September 1, 2016 shall be refunded to the Company.

Section 506. Disposition Upon Acceleration. If the principal of the Bonds has become due and payable pursuant to **Section 902** hereof, 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 Bond Fund by the Trustee, with advice to the City and to the Company of such action.

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (i) all accrued interest on the Bonds, if any, paid by the Purchaser; (ii) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (iii) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease; (iv) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project or pursuant to **Section 506** hereof upon acceleration of the Bonds; (v) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (vi) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (vii) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (viii) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by written directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) The Trustee shall notify the Company in writing, at least 15 days before each date on which a payment is due under **Section 5.1** of the Lease, of the amount that is payable by the Company pursuant to such Section.

Section 602. Application of Moneys in the Bond Fund.

(a) Except as provided in **Section 604** and **Section 908** hereof or in **Section 4.6(a)** of the Lease, moneys in the Bond Fund shall be expended solely for the payment of the principal of and the interest on the Bonds as the same mature and become due or upon the redemption thereof before maturity; provided, however, that any amounts received by the Trustee as Additional Rent under **Section 5.2** of the Lease and deposited to the Bond Fund as provided in **Section 601** above, shall be expended by the Trustee for such items of Additional Rent as they are received or due without further authorization from the City.

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of and the 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 and interest.

(c) Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before and until such redemption, the City covenants and agrees, upon request of the Company, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Company. The Trustee may use any moneys in the Bond Fund to redeem a part of the Bonds Outstanding in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest, if any, in all cases when such Bonds have not been presented for payment.

(d) After payment in full of the principal of and interest, if any, on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the fees, charges and expenses of the Trustee, the City and any Paying Agent and any other amounts required to be paid under this Indenture, the Lease and the Performance Agreement, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, 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, if any, shall continue to accrue for the period after such date.

Section 604. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall without liability for interest thereon repay to the Company the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Company, and the Owner thereof 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 interest thereon and shall not be regarded as a trustee of such money.

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

Section 702. Investment of Moneys in Project Fund and Bond Fund. Moneys held in the Project Fund and the Bond Fund shall, pursuant to written direction of the Company, signed by the Authorized Company Representative, be separately invested and reinvested by the Trustee in Investment Securities which mature or are subject to redemption by the Owner before the date such funds will be needed. If the Company fails to provide written directions concerning investment of moneys held in the Project Fund and the Bond Fund, the Trustee shall invest in such Investment Securities specified in paragraph (e) of the definition of Investment Securities, provided they mature or are subject to redemption before the date such funds will be needed. The Trustee is specifically authorized to implement its

automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees and cash sweep account fees, which may be deducted from income earned on investments; provided that any such fees shall not exceed the interest income on the investment. 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 in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such fund, and any loss resulting from such Investment Securities shall be charged to such fund. After the Trustee has notice pursuant to **Section 1001(h)** hereof of the existence of an Event of Default, the Trustee shall direct the investment of moneys in the Bond Fund and the Project Fund. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in any Fund is insufficient for the purposes of such Fund. In determining the balance in any Fund, investments in such Fund 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 any affiliate or short-term investment department.

Section 703. Record Keeping. The Trustee shall maintain records designed to show compliance with the provisions of this Article and with the provisions of **Article VI** hereof for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 801. Payment of Principal and Interest. The City covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project and the Lease as described herein, deposit or cause to be deposited in the Bond Fund sufficient sums payable under the Lease promptly to meet and pay the principal of and the interest on the Bonds as they become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Nothing herein shall be construed as requiring the City 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 City 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 herein set forth; 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; that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

Section 803. Performance of Covenants. The City covenants that it will faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its City Council pertaining thereto. The Trustee may take such action as it deems appropriate to enforce all such covenants, undertakings, stipulations and provisions of the City hereunder.

Section 804. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee

may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to the payment of the principal of and interest, if any, on the Bonds, upon being first indemnified by the Company for the cost thereof . The City covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

Section 805. Recordings and Filings. The City shall cause to be kept and filed all financing statements, and hereby directs and authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture and all supplements hereto and such other documents as may be required under the Uniform Commercial Code in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

Section 806. Inspection of Project Books. The City 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 such accountants or other agencies as the Trustee may from time to time designate.

Section 807. Enforcement of Rights Under the Lease. The Trustee, as assignee, transferee, pledgee, and owner of a security interest under this Indenture, in its name or in the name of the City, may enforce all assigned rights of the City and the Trustee and all obligations of the Company under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Events of Default; Notice; Opportunity to Cure. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default in the due and punctual payment of the principal on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;

(b) Default in the due and punctual payment of the interest on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;

(c) Default as specified in **Section 12.1** of the Lease has occurred; or

(d) Default in the performance, or breach, of any other covenant or agreement under this Indenture.

No default specified above shall constitute an Event of Default until the City, the Trustee or the Owners of 25% in aggregate principal amount of all Bonds Outstanding has given actual notice of such default by registered or certified mail or a recognized overnight delivery service to the Company, and the

Company has had 30 days after receipt of such notice to correct said default or cause said default to be corrected and has not corrected said default or caused said default to be corrected within such period; provided, however, if any such default (other than a default in the payment of any money) is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Company or the City (as the case may be) within such period and diligently pursued until the default is corrected.

Section 902. Acceleration of Maturity in Event of Default.

(a) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the Trustee may, and upon the written request of the City or the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City 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 and all other amounts due hereunder shall thereupon become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds have matured by their terms, all overdue installments of principal and interest upon the Bonds, together with the reasonable and proper expenses of the Trustee, and all other sums then payable by the City under this Indenture are either paid or provisions satisfactory to the Trustee are made for such payment, then and in every such case the Trustee shall, but only with the approval of a majority of the Owners of the Bonds then Outstanding, rescind such declaration and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of rent payments on the Bonds as provided in **Section 12.2** of the Lease.

(c) In case of any rescission, then and in every such case the City, the Trustee, the Company and the Owners 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 903. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, the City, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the City pertaining thereto, and including the rights and the position of the City under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements. The Trustee may lease the Project or any part thereof, in the name and for account of the City, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including without limitation (a) reasonable compensation to the Trustee, its agents and counsel, (b) any reasonable charges of the Trustee hereunder, (c) any taxes and assessments and other charges before the lien of this Indenture, (d) all expenses of such repairs and improvements and (e) any amounts payable under the Performance Agreement. The Trustee shall apply the remainder of the moneys so received in accordance with the provisions of **Section 908** hereof. Whenever all that is due upon the Bonds has been paid and all defaults cured, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default. While in possession of such property, the Trustee shall render annually to the City and the Company a summarized statement of receipts and expenditures in connection therewith.

Section 904. Appointment of Receivers in Event of Default. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate or any part thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 905. Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding and all other amounts due hereunder, and to enforce and compel the performance of the duties and obligations of the City or the Company as herein set forth or as set forth in the Lease, respectively.

(b) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and if requested in writing to do so by (i) the City (in the case of an Event of Default pursuant to **Sections 12.1(a)** (but only as it relates to Additional Rent), **(b)** (but only as it relates to Unassigned Rights), **(c)** or **(d)** of the Lease), or (ii) the Owners of 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in **subsection (l)** of **Section 1001** hereof, the Trustee shall be obligated to 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 and in the interests of the City or the Owners, as the case may be.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owners, and any recovery of judgment shall, subject to the provisions of **Section 908** hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 906. Limitation on Exercise of Remedies by Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in **Section 1001(h)** or of which by said subsection the Trustee is deemed to have notice, (b) such default has become an Event of Default, (c) the Owners of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee, have offered it reasonable opportunity either to proceed for such reasonable period not to exceed 60 days following such notice and to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and have offered to the Trustee indemnity as provided in **Section 1001(l)**, and (d) the Trustee thereafter fails or refuses to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or

equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the City to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 907. Right of Owners to Direct Proceedings.

(a) The Owners of a majority in aggregate principal amount of Bonds then Outstanding may, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, 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, including **Section 1001(l)** hereof.

(b) Notwithstanding any provision in this Indenture to the contrary, including paragraph (a) of this Section, the Owners shall not have the right to control or direct any remedies hereunder upon an Event of Default under **Sections 12.1(a)** (as it relates to Additional Rent), **(b)** (as it relates to Unassigned Rights), **(c)** or **(d)** of the Lease.

Section 908. Application of Moneys in Event of Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall first be applied to the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including any attorneys' fees and expenses) or amounts to be paid pursuant to **Section 903** hereof, and second, be applied to the obligations outstanding under the Lease and the Performance Agreement. Any remaining moneys shall be deposited in the Bond Fund and applied as follows:

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST -- To the payment to the Persons entitled thereto of all installments of interest, if any, then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND -- To the payment to the Persons entitled thereof of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment, ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(2) 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 to the payment of the principal and interest, if any, then due and unpaid on all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Person entitled thereto, without any discrimination or privilege.

(3) 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 **Section 910**, then, subject to the provisions of subsection (2) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (1) of this Section.

(b) 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 a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

(c) Whenever all of the Bonds and interest thereon, if any, have been paid under the provisions of this Section, and all fees, expenses and charges of the City and the Trustee and any other amounts required to be paid under this Indenture and the Lease have been paid (including any amounts payable under the Performance Agreement), any balance remaining in the Bond Fund shall be paid to the Company as provided in **Section 602** hereof.

Section 909. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Owners 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 Owners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest, if any, on the Bonds, but only upon the written request of the Owners of at least 50% in aggregate principal amount of all the Bonds then Outstanding, provided, however, that (1) there shall not be waived without the consent of the City an Event of Default hereunder arising from an Event of Default under **Sections 12.1(a)** (as it relates to Additional Rent), **(b)** (as it relates to Unassigned Rights), **(c)** or **(d)** of the Lease, and (2) there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds when due (whether at the date of maturity or redemption specified therein), or (b) any Event of Default in the payment when

due of the interest on any such Bonds, unless before such waiver or rescission, all arrears of interest, or all arrears of payments of principal when due, as the case may be, and all reasonable expenses of the Trustee and the City (including reasonable attorneys' fees and expenses), in connection with such default, shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE X

THE TRUSTEE

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, 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) The Trustee, before the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default has occurred and is continuing, subject to **Section 1001(l)** below, 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 their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, affiliates, attorneys or receivers and shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed or chosen by it with due care. The Trustee may conclusively rely upon and act or refrain from acting upon any opinion or advice of counsel, who may be counsel to the City or to 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. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel addressed to the City and the Trustee.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or except as provided in the Lease and particularly **Section 10.8** thereof, for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of Uniform Commercial Code financing statements), or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with **Article VII** hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds with the same rights that it would have if it were not Trustee. The Trustee shall not be accountable for the use or application by the City or the Company of the proceeds of any of the Bonds or of any money paid to or upon the order of the City or Company under any provision of this Indenture.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture believed by it to be genuine and correct and to have been signed, presented or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who, at the time of making such request or giving such authority or consent is an Owner, 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 place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the Authorized City Representative or an Authorized Company Representative as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

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

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made in **Article VI** hereof, unless the Trustee is specifically notified in writing of such default by the City or by the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding.

(i) At any and all reasonable times and subject to the Company's reasonable and standard security procedures, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may, but shall not be required to, inspect any and all of the Project, and all books, papers and records of the City pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired. The Trustee shall treat all proprietary information of the Company as confidential.

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

(k) The Trustee may, but shall not be required to, demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview 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 City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Notwithstanding anything in the Indenture or the Lease to the contrary, before taking any action under this Indenture other than the payments from moneys on deposit in the Project Fund or the Bond Fund, as provided herein, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as Trustee, bond registrar or Paying Agent.

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful 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 and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent 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 before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred.

Section 1003. Notice to Owners if Default Occurs. If a default occurs of which the Trustee is by **Section 1001(h)** hereof required to take notice or if notice of default is given as in said subsection (h) provided, then the Trustee shall give written notice thereof to the last known Owners of all Bonds then Outstanding as shown by the bond registration books required by **Section 206** to be kept at the corporate trust office of the Trustee.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners, the Trustee may intervene on behalf of Owners and, subject to the provisions of **Section 1001(l)**

hereof, shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. With the prior written consent of the Company, 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 and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, 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 and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the City, the Company and the Owners, and such resignation shall take effect at the end of such 30 days, or upon the earlier appointment of a successor Trustee by the Owners or by the City; provided, however, that in no event shall the resignation of the Trustee or any successor trustee become effective until such time as a successor trustee has been appointed and has accepted the appointment. If no successor has been appointed and accepted the appointment within 30 days after the giving of such notice of resignation, the Trustee may, at the Company's expense, petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the City and the Owners and signed by the Company.

Section 1008. Appointment of Successor Trustee. If the Trustee hereunder resigns or is removed, or otherwise becomes incapable of acting hereunder, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee (a) reasonably acceptable to the City may be appointed by the Company (so long as no Event of Default has occurred and is continuing), or (b) reasonably acceptable to the City and the Company may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy, the City, by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed in the manner above provided. Any such temporary Trustee so appointed by the City shall immediately and without further acts be superseded by the successor Trustee so appointed as provided above. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing and qualified to accept such trust with a corporate trust office in the State, and having a reported capital, surplus and undivided profits of not less than $50,000,000. If no successor Trustee has been so appointed and accepted appointment in the manner herein provided, the Trustee, at the Company's expense, or any Owner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided.

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 City 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 and the duties and obligations of such predecessor hereunder shall thereafter cease and terminate; but such predecessor shall, nevertheless, on the written request of the City, 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; 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 City be required by any predecessor or 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 City.

Section 1010. Right of Trustee to Pay Taxes and Other Charges. If any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, the Trustee may pay such tax, assessment or governmental charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of 10% per annum, 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 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 the Owners of at least 25% 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 or the Lease, and in particular in case of the enforcement of either this Indenture or the Lease upon the occurrence of an Event of Default or if the Trustee deems that by reason of any present or future law of any jurisdiction it cannot 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) If the Trustee appoints an additional individual or institution as a co-trustee or separate trustee (which appointment shall be subject to the approval of the Company), 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 City be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to such co-trustee such properties, rights, powers, trusts, duties and obligations, any and all

such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(d) If 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. Accounting. The Trustee shall render an annual accounting for the period ending December 31 of each year to the City, the Company and to any Owner requesting the same and, upon the request of the City, the Company or any Owner, a monthly accounting to any such party, 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. Performance of Duties Under the Lease. The Trustee hereby accepts and agrees to perform all duties and obligations assigned to it under the Lease.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, 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 which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Owners (provided that in exercising such judgment, the Trustee may rely upon the advice or opinion of counsel);

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

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

(d) To conform the Indenture to amendments to the Lease made by the City and the Company; or

(e) To subject to this Indenture additional revenues, properties or collateral.

Section 1102. Supplemental Indentures Requiring Consent of Owners.

(a) Exclusive of Supplemental Indentures covered by **Section 1101** hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, from time to time, anything contained in this Indenture to the contrary notwithstanding, consent to and approve the execution by the City and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that without the consent of the Owners of 100% of the principal amount of the Bonds then Outstanding, nothing in this Section contained shall permit or be construed as permitting (1) an extension of the maturity or a shortening of the redemption date of the principal of or the interest, if any, on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, if any, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

(b) If at the time the City requests the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Owner as shown on the bond registration books required by **Section 206** hereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article shall not become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company and any Financing Party at least 15 days before the proposed date of execution and delivery of the Supplemental Indenture.

Section 1104. Opinion of Counsel. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee and the City shall receive, and, shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture and will, upon the execution and delivery thereof, be a valid and binding obligation of the City. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's rights, duties or immunities under this Indenture or otherwise.

ARTICLE XII

SUPPLEMENTAL LEASES

Section 1201. Supplemental Leases Not Requiring Consent of Owners. The City and the Trustee shall, without the consent of or notice to the Owners, consent to the execution of any Supplemental Lease or Supplemental Leases by the City and the Company as may be required (a) by the provisions of the Lease and this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease, (c) so as to more precisely identify the Project or add additional property thereto or (d) in connection with any other change therein which, in the judgment of the Trustee, does not materially and adversely affect the Trustee or security for the Owners; provided that in exercising such judgment, the Trustee may rely upon the advice or opinion of counsel.

Section 1202. Supplemental Leases Requiring Consent of Owners. Except for Supplemental Leases as provided for in **Section 1201** hereof, neither the City nor the Trustee shall consent to the execution of any Supplemental Lease or Supplemental Leases by the City or the Company without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 1102** hereof. If at any time the City and the Company shall request the consent of the Trustee to any such proposed Supplemental Lease, the Trustee shall cause notice of such proposed Supplemental Lease to be mailed in the same manner as provided in **Section 1102** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease and shall state that copies of the same are on file in the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Lease shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

(a) When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1302** hereof, and provision also made for paying all other sums payable hereunder and under the Lease and the Performance Agreement, including the reasonable fees and expenses of the Trustee, the City and Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect

hereof shall thereupon cease, determine and be void. Thereupon, the Trustee shall cancel, discharge and release this Indenture and shall upon the written request of the City or the Company execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City (subject to the City's obligations under **Section 11.2** of the Lease) any property at the time subject to this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Company under **Section 602** hereof and except funds or securities in which such funds are invested held by the Trustee for the payment of the principal of and interest on the Bonds.

(b) The City is hereby authorized to accept a certificate by the Trustee that the whole amount of the principal and interest, if any, so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with **Section 1302** hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall cancel and erase the inscription of this Indenture from its records.

Section 1302. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of and 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 (1) have been made or caused to be made in accordance with the terms thereof, or (2) have been provided for by depositing with the Trustee or other commercial bank or trust company having full trust powers and authorized to accept trusts in the State in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) 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, or (3) have been provided for by surrendering the Bonds to the Trustee for cancellation. At such time as Bonds are deemed to be paid hereunder, as aforesaid, they shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of such payment from such moneys or Government Securities.

(b) Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed before the stated maturities thereof, no deposit under clause (2) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed before their respective stated maturities, 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 shall be applied to and used solely for the payment of the particular Bonds, 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 Owners.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners 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 (other than the assignment of ownership of a Bond) 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 amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Trustee pursuant to **Section 206** hereof.

(b) In determining whether the Owners of 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 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; provided, the foregoing provisions shall not be applicable if the Company is the only Owner of the Bonds. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and the pledgee is not the Company or any affiliate thereof.

Section 1402. Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, and the Owners, if any, any right, remedy or claim under or in respect to this Indenture, 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 and the Owners, as herein provided.

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

City of Washington, Missouri
City Hall
405 Jefferson Street
Washington, Missouri 63090
ATTN: City Administrator

with a copy to:

Lewis Rice LLC
1200 Jefferson Street
Washington, Missouri 63090
ATTN: Mark C. Piontek, Esq.

(b) To the Trustee:

UMB Bank, N.A.
2 S. Broadway, Suite 600
St. Louis, Missouri 63102
ATTN: Corporate Trust Department

(c) To the Company:

Valent Aerostructures, LLC
c/o LMI Aerospace, Inc.
6325 Avantha Drive
Washington, Missouri 63090
ATTN: Perry Pecaut

with a copy to:

Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
ATTN: Korb Maxwell, Esq.

(d) To the Owners if the same is duly mailed by first class, registered or certified mail addressed to each of the Owners of Bonds at the time Outstanding as shown by the bond registration books required by **Section 206** hereof to be kept at the corporate trust office of the Trustee.

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company. The City, the Company and the Trustee 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. 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 1405. Execution in Counterparts. This Indenture 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 1406. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1407. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1408. City Consent and Approvals. Pursuant to the Ordinance, the Mayor is authorized to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing of the Project by the Company, and such easements, licenses, rights-of-way, plats and similar documents as may be requested by the Company) as may be required to carry out and comply with the intent of the Ordinance, this Indenture and the Lease. The Mayor is also authorized, unless otherwise expressly provided herein to the contrary, to grant on behalf of the City such consents, estoppels and waivers relating to the Bonds, this Indenture, the Lease or the Performance Agreement, including extensions of the Completion Date, as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease or adversely affect the tax exemption as provided for therein, waive an Event of Default, or materially change the nature of the transaction unless approved by an ordinance of the City Council.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Washington, Missouri, has caused this Indenture to be signed in its name and behalf by its Mayor and the seal of the City to be hereunto affixed and attested by the City Clerk, and to evidence its acceptance of the trusts hereby created, UMB Bank, N.A. has caused this Indenture to be signed in its name and behalf by a duly authorized officer, all as of the date first above written.

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF BONDS

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO AN APPROVED INVESTOR AS DEFINED IN THE HEREIN-DESCRIBED INDENTURE.

No. 1 **Not to Exceed $4,000,000**

UNITED STATES OF AMERICA
STATE OF MISSOURI

CITY OF WASHINGTON, MISSOURI
TAXABLE INDUSTRIAL REVENUE BOND
(VALENT AEROSTRUCTURES, LLC PROJECT)
SERIES 2016A

Interest Rate	Maturity Date	Dated Date
5.0%	December 1, 2027	August ___, 2016

OWNER: _____

MAXIMUM PRINCIPAL AMOUNT: **FOUR MILLION DOLLARS**

CITY OF WASHINGTON, MISSOURI, a third-class city organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2016, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

As used herein, the term "Cumulative Outstanding Principal Amount" means all Bonds outstanding under the terms of the hereinafter-defined Indenture, as reflected on **Schedule I** hereto maintained by the Trustee.

THIS BOND is one of a duly authorized series of Bonds of the City designated "City of Washington, Missouri, Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A," in the maximum aggregate principal amount of $4,000,000 (the "Bonds"), to be issued for the purpose of constructing an approximately 30,000 square foot addition (the "Project Improvements") to an existing facility located on certain real property in the City (the "Project Site"). The City will lease the Project Site and the Project Improvements (collectively, the "Project") to Valent Aerostructures, LLC, a Delaware limited liability company (the "Company"), under the terms of a Lease Agreement dated as of August 1, 2016 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Lease"), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, and pursuant to proceedings duly had by the governing body of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of August 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 City and UMB Bank, N.A., St. Louis, Missouri, as trustee (the "Trustee"). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

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 City, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease; provided, however, if only a portion of the Bonds are to be redeemed, Bonds aggregating at least 10% of the maximum principal amount of Bonds authorized under the Indenture shall not be subject to redemption and payment before the stated maturity thereof. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

THE BONDS are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to **Sections 9.1(f)** or **9.2(c)** of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph, money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

If the Bonds are to be called for optional redemption, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least 40 days (10 days if there is one Owner) before the scheduled redemption date. The Trustee shall then deliver written notice to the Owner of this Bond at least 30 days (five days if there is one Owner) before the scheduled redemption date by first-class mail (or facsimile, if there is one Owner) stating the date upon which the Bonds will be redeemed and paid.

THE BONDS, including interest thereon, are special obligations of the City and are payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease and not from any other fund or source of the City, and are secured by a pledge and assignment of the Project and of such rents, revenues and receipts, including all rentals and other amounts to be received by the City under and pursuant to the Lease, all as provided in the Indenture. The Bonds do not constitute a general obligation of the City or the State of Missouri, and neither the City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation. Pursuant to the provisions of the Lease, rental payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the City and deposited in a special fund created by the City and designated the "City of Washington, Missouri, Bond Fund -- Valent Aerostructures, LLC Project"

THE OWNER of this Bond shall have no 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 before 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 in the circumstances permitted by the Indenture.

THIS BOND is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in Person or by such Person's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer reasonably satisfactory to the Trustee duly executed by the Owner or such Person's duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the Person in whose name this Bond 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.

THE BONDS are issuable in the form of one fully-registered Bond in the maximum principal amount of $4,000,000.

THIS BOND shall not be valid or become obligatory for any purposes 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 this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, the City of Washington, Missouri, has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk and its corporate seal to be affixed hereto or imprinted hereon.

CITY OF WASHINGTON, MISSOURI

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is the Taxable Industrial Revenue Bond (Valent Aerostructures, LLC Project), Series 2016A, described in the Trust Indenture. The effective date of registration of this Bond is set forth below.

UMB BANK, N.A., as Trustee

_____ By _____

Date Authorized Signatory

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

CITY OF WASHINGTON, MISSOURI
TAXABLE INDUSTRIAL REVENUE BOND
(VALENT AEROSTRUCTURES, LLC PROJECT)
SERIES 2016A

Bond No. 1

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

Print or Typewrite Name, Address and Social Security or
other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept by the Trustee for the registration and transfer of Bonds, with full power of substitution in the premises.

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:

_____

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By _____
Title: _____

EXHIBIT B

FORM OF REPRESENTATION LETTER

City of Washington, Missouri
405 Jefferson Street
Washington, Missouri 63090
ATTN: City Administrator

UMB Bank, N.A.
2 S. Broadway, Suite 600
St. Louis, Missouri 63102
ATTN: Corporate Trust Department

Re: $4,000,000 Maximum Principal Amount of Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A of City of Washington, Missouri

Ladies and Gentlemen:

In connection with the purchase of the above-referenced Bonds (the "Bonds"), the undersigned purchaser of the Bonds hereby represents, warrants and agrees as follows:

1. The undersigned fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of August 1, 2016 (the "Indenture"), between the City of Washington, Missouri (the "City") and UMB Bank, N.A., as trustee (the "Trustee"), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Valent Aerostructures, LLC, a Delaware limited liability company (the "Company"), under a Lease Agreement dated as of August 1, 2016 (the "Lease"), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

2. The undersigned understands that (a) the Bonds and the interest thereon are special obligations of the City payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease, and not from any other fund or source of the City, (b) the Bonds are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners, as provided in the Indenture, (c) the Bonds and the interest thereon shall not constitute general obligations of the City, the State or any political subdivision thereof, and none of the City, the State or related political subdivision thereof shall be liable thereon, and (d) the Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

3. The undersigned understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward its distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.

4. The undersigned is an Approved Investor, as defined in the Indenture.

5. The undersigned agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and, if requested by the City, upon receipt of an opinion of counsel reasonably acceptable to the City, the Company and the purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

6. The Company has (a) furnished to the undersigned such information about itself as the undersigned deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the undersigned, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information which it has requested. [*Delete Paragraph 6 if Company is the Purchaser of the Bonds.*]

7. The undersigned is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of terms and risks of the Bonds. [*Delete previous sentence if Company is the Purchaser of the Bonds.*] The undersigned believes that the Bonds which it is acquiring is a security of the kind that it wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

8. The undersigned is fully aware of and satisfied with (a) the current status of the title to the Project and any issues related thereto and (b) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

9. The undersigned understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

10. The undersigned hereby directs the Trustee to hold the Bonds in trust pursuant to **Section 204(c)** of the Indenture.

Dated: _____, 20___

[PURCHASER OF BONDS]

By:_____
Name: _____
Title: _____

EXHIBIT B

SPECIAL WARRANTY DEED

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT:	SPECIAL WARRANTY DEED
DATE OF DOCUMENT:	August ___, 2016
GRANTOR:	VALENT AEROSTRUCTURES, LLC, a Delaware limited liability company
GRANTOR'S MAILING ADDRESS:	6325 Avantha Drive Washington, Missouri 63090
GRANTEE:	CITY OF WASHINGTON, MISSOURI, a political subdivision and body corporate organized and existing under the laws of the State of Missouri
GRANTEE'S MAILING ADDRESS:	405 Jefferson Street Washington, Missouri 63090
RETURN DOCUMENTS TO:	Mark D. Grimm, Esq. Gilmore & Bell, P.C. 211 North Broadway, Suite 2350 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See **Exhibit A**, at page A-1.

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, made as of August ___, 2016, from **VALENT AEROSTRUCTURES, LLC**, a Delaware limited liability company, with an address of 6325 Avantha Drive, Washington, Missouri 63090 (the "Grantor"), to the **CITY OF WASHINGTON, MISSOURI**, a political subdivision and body corporate organized and existing under the laws of the State of Missouri, with an address of 405 Jefferson Street, Washington, Missouri 63090 (the "Grantee").

WITNESSETH, THAT THE GRANTOR, in consideration of the sum of One Dollar ($1.00) and other valuable considerations to it paid by the Grantee to Grantor (the receipt of which is hereby acknowledged) does by these presents, **SELL** and **CONVEY** unto the Grantee, its successors and assigns, the lots, tracts or parcels of land situated in the County of Franklin, State of Missouri, legally described in **EXHIBIT A** (the "Land"), which is attached hereto at page A-1 of this Special Warranty Deed and incorporated herein by this reference, **SUBJECT, HOWEVER**, to the Permitted Encumbrances described in the Trust Indenture dated as of August 1, 2016 between the Grantee and UMB Bank, N.A., as trustee.

TO HAVE AND TO HOLD, the Land, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in anyway appertaining unto the Grantee and unto its successors and assigns forever; the Grantor hereby covenanting that the Land is free and clear from any encumbrance done or suffered by it, other than the Permitted Encumbrances; and that it will warrant and defend the title to the Land unto the Grantee and unto the Grantee's successors and assigns forever, against the lawful claims and demands of all persons claiming under Grantor, but not otherwise.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Special Warranty Deed as of the day and year above written.

"GRANTOR"

VALENT AEROSTRUCTURES, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
_____ COUNTY)

On this _____ day of August 2016, before me, the undersigned, a Notary Public in and for said State, appeared _____, to me personally known, who, being by me duly sworn, did say that she/he is the _____of **VALENT AEROSTRUCTURES, LLC**, a Delaware limited liability company, and that said instrument was signed on behalf of said company by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name:_____
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

[Special Warranty Deed]

"GRANTEE"

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
FRANKLIN COUNTY)

On this _____ day of August, 2016, before me, the undersigned, a Notary Public, appeared **SANDY LUCY**, to me personally known, who, being by me duly sworn, did say that she is the Mayor of the **CITY OF WASHINGTON, MISSOURI**, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name: Mark D. Grimm
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

[Special Warranty Deed]

EXHIBIT A

DESCRIPTION OF THE LAND

The land situated in Franklin County, Missouri, and described as follows:

EXHIBIT C

LEASE AGREEMENT

CITY OF WASHINGTON, MISSOURI,
As Lessor,

AND

VALENT AEROSTRUCTURES, LLC,
As Lessee

LEASE AGREEMENT

Dated as of August 1, 2016

Relating to:

$4,000,000
(Aggregate Maximum Principal Amount)
City of Washington, Missouri
Taxable Industrial Revenue Bonds
(Valent Aerostructures, LLC Project)
Series 2016A

Certain rights of the City of Washington, Missouri (the "City"), in this Lease Agreement have been pledged and assigned to UMB Bank, N.A., St. Louis, Missouri, as Trustee under the Trust Indenture dated as of August 1, 2016, between the City and the Trustee.

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of August 1, 2016 (the "Lease"), between the **CITY OF WASHINGTON, MISSOURI**, a third-class city organized and existing under the laws of the State of Missouri (the "City"), as lessor, and **VALENT AEROSTRUCTURES, LLC**, a limited liability company organized and existing under the laws of the State of Delaware (the "Company");

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend, equip and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed Ordinance No. ____ (the "Ordinance") on August 1, 2016, authorizing the City to issue its Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in the maximum principal amount of $4,000,000 (the "Bonds"), for the purpose of acquiring approximately 7 acres of land located at 6325 Avantha Drive in the City (the "Project Site," as legally described on **Exhibit A** attached hereto), and constructing thereon an approximately 30,000 square foot addition (the "Project Improvements") to the Company's existing manufacturing facility.

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture of even date herewith (the "Indenture") with UMB Bank, N.A., St. Louis, Missouri, as Trustee (the "Trustee"), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into this Lease with the Company under which the City will acquire the Project Site and purchase and construct the Project Improvements, and will lease the Project Site and the Project Improvements as they may at any time exist (collectively, the "Project"), to the Company in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. In consideration of the terms and conditions of this Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City and the Company have concurrently herewith entered into a Performance Agreement of even date herewith (the "Performance Agreement") pursuant to which the Company has agreed to make certain payments in lieu of taxes.

5. Pursuant to the foregoing, the City desires to acquire the Project from the Company and the Company desires to lease the Project from the City, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease, capitalized words and terms used in this Lease shall have the meanings given to such words and terms in **Section 101** of the Indenture (which definitions are hereby incorporated by reference).

Section 1.2. Rules of Interpretation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing Persons shall include firms, associations and corporations, including governmental entities, as well as natural Persons.

(c) 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.

(d) 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 Lease as a whole and not to any particular Article, Section or other subdivision.

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

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

ARTICLE II

COVENANTS

Section 2.1. Covenants of the City. The City covenants as the basis for the undertakings on its part herein contained, that:

(a) The City is a third-class city duly organized and validly existing under the laws of the State of Missouri. Under the provisions of the Act, the City has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its City Council, the City has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers.

(b) As of the date of delivery hereof, the City agrees to acquire the Project Site from the Company, subject to Permitted Encumbrances, and purchase and construct or cause to be

purchased and constructed thereon the Project Improvements. The City agrees to lease the Project to the Company, and sell the Project to the Company, if the Company exercises its option to purchase the Project, upon termination of this Lease, all for the purpose of furthering the public purposes of the Act.

(c) To the City's knowledge, no member of the City Council or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby.

(d) To finance the costs of the Project, the City proposes to issue the Bonds which will be scheduled to mature as set forth in **Article II** of the Indenture and will be subject to redemption prior to maturity in accordance with the provisions of **Article III** of the Indenture.

(e) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and the net earnings therefrom, consisting of all rents, revenues and receipts to be derived by the City from the leasing or sale of the Project, will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease.

(f) The City will not knowingly take any affirmative action that would permit a lien to be placed on the Project or pledge the revenues derived therefrom for any bonds or other obligations, other than the Bonds, except with the written consent of the Authorized Company Representative.

(g) The City will not operate the Project as a business or in any other manner except as the lessor thereof; provided, subsequent to an Event of Default hereunder, the City or its designee may, but is not obligated to, operate the Project in such manner as the City deems best.

Section 2.2. Covenants of the Company. The Company covenants, as the basis for the undertakings on its part herein contained, that:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly authorized to conduct business and is in good standing in the State of Missouri.

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and the Company has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives.

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Company will not, to the best of the Company's knowledge, conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which the Company is a party or by which it or any of its property is bound, or the Company's organizational documents, or any order, rule or regulation applicable to the Company or any of its property of any court or governmental body, or constitute a default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is a party.

(d) The estimated costs of the purchase, construction and improvement of the Project are in accordance with sound engineering and accounting principles.

(e) The Project, upon completion, will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate. The City hereby exclusively rents, leases and lets the Project to the Company, and the Company hereby rents, leases and hires the Project from the City, subject to Permitted Encumbrances existing as of the date of the execution and delivery hereof, for the rentals and upon and subject to the terms and conditions herein contained.

Section 3.2. Lease Term. This Lease shall become effective upon its execution and delivery. Subject to earlier termination pursuant to the provisions of this Lease, the lease of the Project shall terminate on December 31, 2027.

Section 3.3. Possession and Use of the Project.

(a) The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2** hereof following the occurrence and continuance of an Event of Default, as defined in **Section 12.1** hereof, the Company shall have sole and exclusive possession of the Project (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall peaceably and quietly have, hold and enjoy the Project during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request and expense of the Company, cooperate with the Company to defend the Company's quiet and peaceable possession and enjoyment of the Project.

(b) Subject to the provisions of this Section, the Company shall have the exclusive right to use the Project for any lawful purpose contemplated by the Act and consistent with the terms of the Performance Agreement. The Company shall use its best efforts to 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, as to the manner of use or the condition of the Project. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. 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 Section. Notwithstanding any provision contained in this Section, however, the Company may, at its own cost and expense, contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Company may refrain from complying therewith.

ARTICLE IV

PURCHASE AND CONSTRUCTION OF THE PROJECT

Section 4.1. Issuance of the Bonds. To provide funds for the payment of Project Costs, the City agrees that, upon request of the Company, it will issue, sell and cause to be delivered the Bonds to the purchaser thereof in accordance with the provisions of the Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds, when received, shall be paid over to the Trustee for the account of the City. The Trustee shall promptly deposit such proceeds, when received, as provided in the Indenture to be used and applied as hereinafter provided in this Lease and in the Indenture.

Section 4.2. Purchase and Construction of the Project. The City and the Company agree that the Company, as the agent of the City, shall, but solely from the Project Fund, purchase, construct and improve the Project as follows:

(a) The City will acquire the Project Site at the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report required by **Article VII** hereof will be delivered by the Company to the City and the Trustee.

(b) On behalf of the City, the Company will purchase, construct and improve the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications. The Company may revise the Plans and Specifications in accordance with applicable law from time to time as it deems necessary to carry out the Project, but revisions that would alter the intended purpose of the Project may be made only with the prior written approval of the City. The Company agrees that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.2**.

(c) The Company will comply with the provisions of Section 107.170 of the Revised Statutes of Missouri, as amended, to the extent applicable to the construction of the Project.

(d) The Company will cause the purchase and construction of the Project to be completed on or before the Completion Date.

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof. The Company may not submit any requisition certificates for Project Costs incurred after the Completion Date. The Company must submit all requisitions for Project Costs incurred before the Completion Date within three months after the Completion Date. The maximum amount of Project Improvements for which requisition certificates may be submitted is $4,000,000.

Section 4.4. Payment for Project Costs.

(a) The City hereby authorizes and directs the Trustee to make disbursements from the Project Fund and endorse the Bonds, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit C**, signed by an Authorized Company Representative and approved by an Authorized City Representative. The Company agrees that the information in each certificate will be accurate in all respects when given, and that the Company will notify the City if the Company becomes aware of any material inaccuracies in a certificate after the date on which it is given.

(b) The Trustee may rely conclusively on any such certificate and shall not be required to make any independent inspection or investigation in connection therewith. The approval of any requisition certificate by the Authorized Company Representative and an Authorized City Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the City and the Trustee by a certificate signed by the Authorized Company Representative stating (a) that the purchase and construction of the Project has been completed in accordance with the Plans and Specifications, (b) the date of completion thereof, and (c) that all costs and expenses of the purchase and construction of the Project have been incurred. Notwithstanding the foregoing, the certificate shall be deemed given on December 31, 2017, if not actually filed with the City by December 31, 2017. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus in Project Fund. Upon receipt of the certificate described in **Section 4.5** hereof, the Trustee shall, as provided in **Section 504** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (a) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (b) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect in writing. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 702** of the Indenture.

Section 4.7. Project Property of City. The Project Site and the Project Improvements located thereon at the execution hereof, all work and materials on the Project Improvements as such work progresses, and all additions or enlargements thereto or thereof, the Project as fully completed, and anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Mortgage, if any.

Section 4.8. Non-Project Improvements, Machinery and Equipment Property of the Company. Any items of machinery or equipment located on the Project Site which do not constitute part of the Project Improvements and the entire purchase price of which is paid for by the Company with its own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease in the Project Fund, shall be the property of the Company and shall not constitute a part of the Project for purposes of **Section 6.4** and therefore are subject to taxation, to the extent otherwise provided by law.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, on or before 11:00 a.m., Trustee's local time, on each Payment Date, as Basic Rent for the Project, an amount which, when added to any collected funds then on deposit in the Bond Fund and available for the payment of principal on the Bonds and the interest thereon on such Payment Date, shall be equal to the amount payable on such Payment Date as principal of the Bonds and the interest thereon as provided in the Indenture. Except as offset pursuant to the right of the Company set forth below, all payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture. In furtherance of the foregoing, and notwithstanding any other provision in this Lease, the Indenture, the Bond Purchase Agreement or the Performance Agreement to the contrary, and provided that the Company is the sole holder of the Bonds, the Company may set-off the then-current Basic Rent payment against the City's obligation to the Company as Bondholder under the Indenture in lieu of delivery of the Basic Rent on any Payment Date, without providing notice of such set-off to the Trustee. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred. On the final Payment Date, the Company will (a) if the Trustee holds the Bonds, notify the Trustee of the Bonds not previously paid that are to be cancelled or (b) if an entity other than the Trustee holds the Bonds, deliver or cause to be delivered to the Trustee for cancellation Bonds not previously paid. The Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

Section 5.2. Additional Rent. The Company shall pay as Additional Rent, within 30 days after receiving an itemized invoice therefor, the following amounts:

(a) all fees, charges and expenses, including agent and counsel fees and expenses, of the City, the Trustee and the Paying Agent incurred under or arising from the Indenture, this Lease or the Performance Agreement, including but not limited to claims by contractors or subcontractors, as and when the same become due;

(b) all costs incident to the issuance of the Bonds (which are to be paid on the Closing Date) and the payment of the principal of and interest on the Bonds as the same become due and payable, including all costs and expenses in connection with the call, redemption and payment of all Outstanding Bonds;

(c) all fees, charges and expenses incurred in connection with the enforcement of any rights under this Lease, the Indenture or the Performance Agreement by the City, the Trustee or the Owners, including counsel fees and expenses; and

(d) all other payments of whatever nature which the Company has agreed in writing to pay or assume under the provisions of this Lease, the Performance Agreement or the Indenture.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off (subject to **Section 11.5** hereof), counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this Section is intended or shall be deemed to affect or impair in any way the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project as provided in **Article XI**.

(b) Nothing in this Lease shall be construed to release the City from the performance of any agreement on its part herein contained or as a waiver by the Company of any rights or claims the Company may have against the City under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the City separately, it being the intent of this Lease that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to pay Basic Rent and Additional Rent) for the benefit of the Owners and the City. The Company may, however, at its own cost and expense and in its own name or in the name of the City, prosecute or defend any action or proceeding or take any other action involving third Persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the City hereby agrees to cooperate fully with the Company, at the Company's expense, and to take all action necessary to effect the substitution of the Company for the City in any such action or proceeding if the Company shall so request.

Section 5.4. Prepayment of Basic Rent.

(a) The Company may at any time and from time to time prepay all or any part of the Basic Rent provided for hereunder (subject to the limitations of **Section 301(a)** of the Indenture relating to the partial redemption of the Bonds). During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

(b) At its option, the Company may deliver to the Trustee for cancellation Bonds owned by the Company and not previously paid, and the Company shall receive a credit against amounts payable by the Company for the redemption of Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest thereon.

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term the Company shall, at its own expense, keep the Project in reasonably safe operating condition and keep the Project in good repair, reasonable wear, tear, depreciation and obsolescence excepted, making from time to time all repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City Code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) Subject to subsection (b) of this Section, the Company shall promptly pay and discharge, as the same become due, all taxes and assessments, general and special, and other governmental charges of any kind whatsoever that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project, or any part thereof or interest therein (including the leasehold estate of the Company therein) or any buildings, improvements, machinery and equipment at any time installed thereon by the Company on behalf of the City, or the income therefrom, including any new 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 utility charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Bonds or encumber the City's title to the Project; provided that with respect to any special assessments or other governmental charges that are lawfully levied and assessed which may be paid in installments, the Company shall be obligated to pay only such installments thereof as become due and payable during the Lease Term.

(b) The Company may, in its own name or in the City's name, contest the validity or amount of any tax, assessment or other governmental charge which the Company is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the tax, assessment or other governmental charge complained of becomes delinquent if and provided (1) the Company, before instituting any such contest, gives the City written notice of its intention to do so, (2) the Company diligently prosecutes any such contest, at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (3) the Company promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested and thereafter promptly procures record release or satisfaction thereof. The City agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City from any costs and expenses the City may incur related to any of the above.

(c) Nothing in this Lease shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit against the PILOT Payments (as defined in the Performance Agreement) to be made by the Company under the Performance Agreement to the extent of any ad valorem taxes imposed with respect to the Project paid pursuant to this Section, except as otherwise provided in the Performance Agreement.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project shall be paid by the Company and shall be contracted 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.

Section 6.4. Property Tax Exemption. The City and the Company expect that while the Project is owned by the City and is subject to the Lease, the Project will be exempt from all ad valorem property taxes by reason of such ownership, and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties. The City and the Company further acknowledge and agree that the City's obligations hereunder are contingent upon the Company making the payments and otherwise complying with the terms of the Performance Agreement during the term of this Lease. The terms and conditions of the Performance Agreement are incorporated herein as if fully set forth herein.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. Before conveying title to any real property to the City, the Company will purchase, from a title insurance company reasonably acceptable to the City, a commitment for title insurance or provide such other report in a form reasonably acceptable to the City Attorney showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee.

Section 7.2. Casualty Insurance.

(a) Prior to commencement of construction of the Project Improvements, the Company shall, at its sole cost and expense, obtain a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained from commencement of construction throughout the Lease Term with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of not less than "A-" or the equivalent thereof as may be selected by the Company. The Company shall deliver certificates of insurance for such policies to the City and the Trustee prior to commencement of construction of the Project Improvements and promptly after renewal of each insurance policy. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company as the insured, the City as an additional insured, and shall name the Trustee as loss payee and, to the extent such agreement is available from the insurer, shall contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least 10 days after written notice of cancellation to the City, the Company, the Trustee and each other insured or loss payee named therein.

(b) In the event of loss or damage to the Project, the Net Proceeds of casualty insurance carried pursuant to this Section shall be (i) paid over to the Trustee and shall be applied as provided in **Article IX** of this Lease, or (ii) applied as directed in writing by, or on behalf of, the Owners of 100% in principal amount of the Bonds Outstanding, subject to the rights of any Financing Party under any Financing Documents.

Section 7.3. Public Liability Insurance.

(a) The Company shall, at its sole cost and expense, maintain or cause to be maintained at all times during the Lease Term commercial general liability insurance (including but not limited to coverage for operations, contingent liability, operations of subcontractors, completed operations and contractual liability), under which the City, the Company and the Trustee shall be named as additional insureds, properly protecting and indemnifying the City and the Trustee, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri, as amended (subject to reasonable loss deductible clauses). The policies of said insurance shall, to the extent such agreement is available from the insurer, contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least 10 days after written notice of cancellation to the Company, the City, the Trustee and each other insured or loss payee named therein. Certificates of such policies shall be furnished to the City and the Trustee on the date of execution of this Lease and promptly after renewal of each insurance policy.

(b) In the event of a general liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Blanket Insurance Policies. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with.

Section 7.5. Worker's Compensation. The Company agrees throughout the Lease Term to maintain or cause to be maintained the worker's compensation coverage required by the laws of the State of Missouri.

Section 7.6. Sovereign Immunity. Notwithstanding anything to the contrary contained herein, nothing in this Lease shall be construed to broaden the liability of the City beyond the provisions of Sections 537.600 to 537.610 of the Revised Statutes of Missouri, as amended, or abolish or waive any defense at law that might otherwise be available to the City or its officers, agents and employees.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project.

(a) The Company may make such additions, modifications and improvements in and to any part of the Project Site or Project Improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to this Section shall (i) be made in a good and workmanlike manner and in strict compliance with all laws, orders and ordinances applicable thereto and (ii) when commenced, be prosecuted to completion with due diligence.

(b) The Company shall, following the Completion Date, notify the City in writing of any improvements to the Project Site or Project Improvements, other than the Project being financed with the proceeds of the Bonds, that in the aggregate are reasonably expected to exceed $1,000,000 during any calendar year. If such improvements constitute personal property, any such improvements shall remain

the property of the Company, shall not become part of the Project, and shall be subject to ad valorem taxes, unless otherwise exempted from ad valorem taxes.

Section 8.2. Additional Improvements on the Project Site. Subject to **Section 8.1(b)** hereof, the Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in strict compliance with all material laws, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of, addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all ad valorem taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the Franklin County Assessor determines that such additional buildings and improvements are not subject to ad valorem taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.3. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. The City agrees to act promptly on all requests for such municipal permits and authorizations. The City shall cooperate with the Company to obtain, amend, or maintain any existing or future municipal or other governmental permit or authorization for the Project which requires the City's signature, certification, or consent as the owner of any part of the Project, including executing any required applications, certifications, or reports. All such work shall be done in a good and workmanlike manner and in strict compliance with all applicable material building and zoning laws and 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 **Article VII** hereof.

Section 8.4. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within 60 days after the Company becomes aware of any such lien notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall defend, save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

(a) If the Project is damaged or destroyed by fire or any other casualty, whether or not covered by insurance, the Company, as promptly as practicable, shall either (i) make the determination described in subsection (f) below, or (ii) repair, restore, replace or rebuild the same so that upon completion of such repairs, restoration, replacement or rebuilding the Project is of a value not less than the value thereof immediately before the occurrence of such damage or destruction or, at the Company's option, construct upon the Project Site new buildings and improvements thereafter together with all new machinery, equipment and fixtures which are either to be attached to or are to be used in connection with the operation or maintenance thereof, provided that (i) the value thereof shall not be less than the value of such destroyed or damaged Project Improvements immediately before the occurrence of such damage or destruction and (ii) the nature of such new buildings, improvements, and fixtures will not impair the character of the Project as an enterprise permitted by the Act.

If the Company elects to construct any such new buildings and improvements, for all purposes of this Lease, any reference to the words "Project Improvements" shall be deemed to also include any such new buildings and improvements and all additions thereto and all replacements and alterations thereof.

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project shall be used to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof. Insurance monies in an amount less than $1,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein. Insurance monies in any amount of $1,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof, or (ii) applied as directed in writing by, or on behalf of, the Owners of 100% in principal amount of the Bonds Outstanding. If the Company makes the determination described in subsection (f) below,

the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

(b) If any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration, replacement or rebuilding, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of any leasehold mortgagee or Financing Party. Completion of such repairs, restoration, replacement or rebuilding shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration, replacement or rebuilding, the Company shall pay the deficiency.

(c) Except as otherwise provided in this Lease, in the event of any such damage by fire or any other casualty, the provisions of this Lease shall be unaffected and the Company shall remain and continue liable for the payment of all Basic Rent and Additional Rent and all other charges required hereunder to be paid by the Company, as though no damage by fire or any other casualty has occurred.

(d) The City and the Company agree that they will cooperate with each other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance monies that may be due in the event of, any loss or damage, and that they will execute and deliver to such other parties such instruments as may be required to facilitate the recovery of any insurance monies.

(e) The Company agrees to give prompt written notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site causing (in the Company's opinion) damage of more than $1,000,000.

(f) If the Company determines that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, or if the Company does not have the right under any Leasehold Mortgage to use any Net Proceeds for repair or restoration of the Project, any Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same become due, all subject to rights of the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any). The Company agrees to be reasonable in exercising its judgment pursuant to this subsection (f). Alternatively, if the Company is the sole owner of the Bonds and it has determined that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the casualty insurance, and retain such proceeds for its own account.

(g) The Company shall not, by reason of its inability to use all or any part of the Project during any period in which the Project is damaged or destroyed or is 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 from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease or of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 9.2. Condemnation.

(a) If during the Lease Term, title to, or the temporary use of, all or any part of the Project is condemned by or sold under threat of condemnation to any authority possessing the power of eminent domain, to such extent that the claim or loss resulting from such condemnation is greater than $1,000,000, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation or the date of sale under threat of condemnation, notify the City in writing, the Trustee, the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Document (if any) in writing as to the nature and extent of such condemnation or loss of title and whether it is practicable and desirable to acquire or construct substitute improvements.

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition or construction of such substitute improvements, so as to place the Project in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition or construction of other improvements suitable for the Company's operations at the Project (which improvements will be deemed a part of the Project and available for use and occupancy by the Company without the payment of any rent other than herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

(c) If the Company determines that it is not practicable or desirable to acquire or construct substitute improvements, any Net Proceeds of condemnation awards received by the Company shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same becomes due and payable, all subject to the rights of the mortgagee under the Leasehold Mortgage (if any) and Financing Party under the Financing Documents (if any).

(d) The Company shall not, by reason of its inability to use all or any part of the Project 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 from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The City 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, and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the City. In no event will the City 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 prior written consent of the Company.

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) may before the application thereof by the City or the Trustee be applied as

directed in writing by the Owners of 100% of the principal amount of Bonds Outstanding, subject and subordinate to (a) the rights of the City and the Trustee to be paid all their expenses (including attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds and (b) the rights of the City to any amounts then due and payable under the Performance Agreement.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project or the Company's use thereof, unless such loss is the result of the City's or the Trustee's (or their respective employees and agents') willful misconduct. This provision shall survive termination of this Lease.

Section 10.2. Surrender of Possession. Upon accrual of the City's right of re-entry to the extent provided in **Section 12.2(b)**, the Company shall peacefully surrender possession of the Project to the City in good condition and repair; provided, however, the Company may within 90 days (or such later date as the City may agree to) after the termination of this Lease remove from the Project Site any buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting 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, and during said 90-day (or extended) period the Company shall bear the sole responsibility for and bear the sole risk of loss for said buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project. All buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and which are not so removed from the Project before the expiration of said period shall be the separate and absolute property of the City.

Section 10.3. Right of Access to the Project. The City may conduct such periodic inspections of the Project as may be generally provided in the City's Code. In addition, the Company agrees that the City and the Trustee and their duly authorized agents may, at reasonable times during normal business hours and, except in the event of emergencies, upon not less than two Business Day's prior notice, subject to the Company's usual business proprietary, safety, confidentiality and security requirements, enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations, (b) to monitor the acquisition, construction and installation provided for in **Section 4.2** hereof as may be reasonably necessary, (c) to examine all files, records, books and other materials in the Company's possession pertaining to the acquisition, installation or maintenance of the Project, (d) upon either (i) the occurrence and continuance of an Event of Default or (ii) the Company's failure to purchase the Project at the end of the Lease Term, to exhibit the Project to prospective purchasers, lessees or trustees.

Section 10.4. Granting of Easements; Leasehold Mortgages and Financing Arrangements.

(a) Subject to **Sections 10.4(c)** and **(d)**, if no Event of Default under this Lease has happened and is continuing, the City agrees that it will execute and deliver and will cause and direct the Trustee in writing to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any sublease, easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project, will not materially adversely affect the security intended to be given by or under the Indenture and will be a Permitted Encumbrance, and that the Company will defend, indemnify and save and hold harmless the City from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising from the execution and delivery of any instrument, agreement or arrangement pursuant to this Section. If no Event of Default has happened and is continuing beyond any applicable grace period, 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, subject to **Sections 10.4(c)** and **(d)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project by the Company or (ii) the occurrence and continuance of an Event of Default by 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 City and the Trustee.

(b) The Company may mortgage or grant a deed of trust against the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such mortgage, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof. The sale of the Company's leasehold estate at a foreclosure sale or trustee's sale under the Leasehold Mortgage or any assignment in lieu thereof shall not require the consent of the City, if (i) written notice of the proposed sale or assignment is provided to the City at least fifteen (15) days prior thereto, and (ii) before such sale or assignment, all payments then owing to the City under the Performance Agreement are paid.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease and the leasehold estate created hereby and, in connection therewith, the Company may execute Financing Documents with one or more Financing Parties. Notwithstanding anything contained to the contrary in this Lease, the Company may, at any time and from time to time, with prior notice to but without the consent of the City (i) execute one or more Financing Documents upon the terms contained in this **Section 10.4** and (ii) sublease or assign this Lease, the leasehold estate, any sublease and rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1(c)**.

(d) Upon notice by the Company to the City in writing that the Company has executed one or more Financing Documents under which it has granted rights in this Lease to a Financing Party, which includes the name and address of such Financing Party, then the following provisions shall apply in respect of each such Financing Party and any Financing Party existing as of the date of the execution and delivery hereof:

(i) there shall be no merger of this Lease or of the leasehold estate created hereby with the fee title to the Project, notwithstanding that this Lease or said leasehold estate and said fee title shall be owned by the same Person or Persons, without the prior written consent of such Financing Party;

(ii) the City shall serve upon each such Financing Party (at the address, if any, provided to the City) a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party;

(iii) each Financing Party shall have the same period of time which the Company has, after the service of any required notice upon it, within which to remedy or cause to be remedied any payment default under this Lease which is the basis of the notice plus thirty (30) days, and the City shall accept performance by such Financing Party as timely performance by the Company;

(iv) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default. Without limiting the generality of the foregoing, the holder of the Leasehold Mortgage may cause the sale of the leasehold interest of the Company to be sold at foreclosure sale conducted in accordance with applicable law and the terms of the Leasehold Mortgage, to accept assignment of this Lease in lieu of foreclosure and to appoint a receiver for the Project, all without obtaining the prior written consent of the City but subject to the provisions of **Section 10.4(b)**;

(v) upon the occurrence and continuance of an Event of Default by the Company under this Lease, other than a default in the payment of money, the City shall take no action to effect a termination of this Lease by service of a notice or otherwise, without first giving notice thereof to each such Financing Party and permitting such Financing Party (or its designee, nominee, assignee or transferee) a reasonable time within which to remedy such default in the case of an Event of Default which is susceptible of being cured (provided that the period to remedy such Event of Default shall continue beyond any period set forth in the Lease to effect said cure so long as the Financing Party (or its designee, nominee, assignee or transferee) is diligently prosecuting such cure); provided that the Financing Party (or its designee, nominee, assignee or transferee) shall pay or cause to be paid to the City and the Trustee all expenses, including reasonable counsel fees, court costs and disbursements incurred by the City or the Trustee in connection with any such default;

(vi) the Financing Parties (and their designees, nominees, assignees or transferees) may enter, possess and use the Project at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents; and

(vii) this Lease may not be modified, amended, canceled or surrendered by agreement between the City and the Company, without prior written consent of such Financing Party, which consent shall not be unreasonably denied or delayed.

(e) In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a

Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(f) The Company's obligations under any mortgage or Financing Document relating to the Project entered into after the date of execution of this Lease shall be subordinate to the Company's obligations under this Lease.

Section 10.5. Indemnification of City and Trustee. The Company shall defend, indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any Person, firm or corporation arising from the issuance of the Bonds and the execution of the Performance Agreement, this Lease (or any instrument requested by the Company pursuant to **Section 10.4** hereof) or the Indenture and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any breach or default on the part of the Company in the performance of any of its obligations under the Performance Agreement, this Lease or any related document, (c) any contract entered into in connection with the acquisition, purchase, construction, extension, installation or improvement of the Project (including mechanics' liens), (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees, (e) unless the Company has been released from liability pursuant to **Section 13.1(c)** hereof, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become part of the Project, and (g) any violation of Section 107.170 of the Revised Statutes of Missouri, as amended; provided, however, the indemnification contained in this **Section 10.5** shall not extend to the City or Trustee to the extent that such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are (i) the result of work being performed at the Project by employees of the City, or (ii) the result of willful misconduct by the City or the Trustee. Upon written notice from the City or the Trustee of any such claims or demand, the Company shall defend them or either of them in any such action or proceeding; provided, that the City shall cooperate with the Company and provide reasonable assistance in such defense. All costs related to the defense of the City or the Trustee shall be paid by the Company. This **Section 10.5** shall survive any termination of the Performance Agreement and this Lease or the satisfaction and discharge of the Indenture.

Section 10.6. Depreciation and Other Tax Benefits. The City and the Company hereby acknowledge and agree that:

(a) this Lease is intended to be and shall be treated as a "financing lease" for federal income tax purposes;

(b) the Company shall be treated, solely for federal income tax purposes, as the owner of the Project and, as such, shall be entitled to claim all depreciation and amortization deductions and other tax benefits attributable to the ownership of the Project;

(c) each party shall report and file all federal income tax returns consistent with the intended tax treatment; and

(d) the City will fully cooperate, at the Company's expense, with the Company in any effort by the Company to avail itself of any such depreciation, amortization deductions and benefits.

Section 10.7. Company to Maintain its Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it, or may sell or otherwise transfer to another Person all or substantially all of its assets as an entirety and thereafter dissolve, provided, the surviving, resulting or transferee Person (a) expressly assumes in writing all the obligations of the Company contained in this Lease, and (b) has a long-term-debt rating in any of the top 3 long-term-debt rating categories by any nationally recognized rating service.

Section 10.8. Security Interests. The City and the Company hereby authorize the Trustee to file all appropriate financing and continuation statements as may be required under the Uniform Commercial Code in order to fully preserve and protect the security of the Owners and the rights of the Trustee under the Indenture. Upon the written instructions of the Owners or pledgees of 100% of the Bonds then Outstanding, the Trustee shall file all continuation instruments the Owners deem necessary and shall continue or cause to be continued such instruments for so long as the Bonds are Outstanding. The City and the Company shall cooperate with the Trustee in this regard by providing such information as the Trustee may require to renew such statements.

Section 10.9. Environmental Matters, Warranties, Covenants and Indemnities Regarding Environmental Matters.

(a) As used in this Section, the following terms have the following meanings:

"Environmental Laws" means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, order, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act, all as amended from time to time.

"Hazardous Substances" means all (i) "hazardous substances" (as defined in 42 U.S.C. §9601(14)), (ii) "chemicals" subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials which are included under or regulated by any Environmental Law.

(b) The Company warrants and represents to the City and the Trustee that there are no conditions on the Project Site which violate any applicable Environmental Laws and no claims or demands have been asserted or made in writing by any third parties arising out of, relating to or in connection with any Hazardous Substances on, or allegedly on, the Project Site for any injuries suffered or incurred, or allegedly suffered or incurred, by reason of the foregoing.

(c) The Company will provide the City and the Trustee with copies of any notifications of releases of Hazardous Substances or of any environmental hazards or potential hazards in violation of Environmental Laws which are given by or on behalf of the Company to any federal, state or local or other agencies or authorities or which are received by the Company from any federal, state or local or other agencies or authorities with respect to the Project Site. Such copies shall be sent to the City and the Trustee concurrently with their being mailed or delivered to the governmental agencies or authorities or within ten days after they are made or received by the Company. The Company will provide to the City for review only, any environmental assessment ("Assessments") and reports regarding the correction or remediation of material environmental issues required by Environmental Laws to be addressed in the Assessment ("Reports") concerning the Project Site and the Project Improvements; upon the completion of the City's review of the Assessments and the Reports, the City shall immediately return to the Company all originals and copies of the Assessments and Reports.

(d) The Company warrants and represents that the Company has provided the City and the Trustee with copies of all emergency and hazardous chemical inventory forms (hereinafter "Environmental Notices") showing Hazardous Substances on the Project Site given within 2 years preceding the date hereof, as of the date hereof, by the Company to any federal, state or local governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. §11001 *et seq.*, or any other applicable Environmental Laws. The Company will provide the City and the Trustee with copies of all Environmental Notices concerning Hazardous Substances on the Project Site subsequently sent to any such governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986 or any other applicable Environmental Laws. Such copies of subsequent Environmental Notices shall be sent to the City and the Trustee concurrently with their being mailed to any such governmental authority or agency.

(e) The Company will comply with and operate and at all times use, keep and maintain the Project and every part thereof (whether or not such property constitutes a facility, as defined in 42 U.S.C. § 9601 *et. seq.*) in conformance with all applicable Environmental Laws. Without limiting the generality of the foregoing, the Company will not use, generate, treat, store, dispose of or otherwise introduce any Hazardous Substance into or on the Project or any part thereof nor cause, suffer, allow or permit anyone else to do so except in compliance with all applicable Environmental Laws.

(f) The Company agrees to defend, indemnify, protect and hold harmless the City and the Trustee and their directors, officers, shareholders, officials or employees from and against any and all claims, demands, costs, liabilities, damages or expenses, including reasonable attorneys' fees, arising from (i) any release (as defined in 42 U.S.C. § 9601 (22)), actual or alleged, of any Hazardous Substances, upon the Project Site or respecting any products or materials previously, now or thereafter located upon the Project Site, regardless of whether such release or alleged release has occurred before the date hereof or hereafter occurs and regardless of whether such release or alleged release occurs as a result of any act, omission, negligence or misconduct of the Company or any third party or otherwise, (ii) (A) any violation now existing or hereafter arising (actual or alleged) of, or any other liability under or in connection with, any applicable Environmental Laws relating to or affecting the Project, or (B) any violation now existing or hereafter arising, or any other liability, under or in connection with, any applicable Environmental Laws relating to any products or materials previously, now or hereafter located upon the Project Site, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen before the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the Company or any third party or otherwise, (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection

with any Hazardous Substances on or allegedly on the Project Site, or (iv) any material breach, falsity or failure of any of the representations, warranties, covenants and agreements contained in this Section; The City shall cooperate with the Company in the defense of any matters included within the foregoing indemnity without any obligation to expend money. This subsection (f) shall survive any termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. The Company shall have, and is hereby granted, the option to purchase all or any portion of the Project at any time, upon payment in full or redemption of the Outstanding Bonds to be redeemed or provision for their payment or redemption having been made pursuant to **Article XIII** of the Indenture. To exercise such option, the Company shall give written notice to the City and to the Trustee, and shall specify therein the date of closing of such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed, and, in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. Notwithstanding the foregoing, if the City or the Trustee provides notice of its intent to exercise its remedies hereunder upon an Event of Default (a "Remedies Notice"), the Company shall be deemed to have exercised its repurchase option under this Section on the 29th day following the issuance of the Remedies Notice without any further action by the Company; provided said Remedies Notice has not been rescinded by such date (such option to take place on the 29th day following the issuance of the Remedies Notice). The Company may rescind such exercise by providing written notice to the City and the Trustee on or before the 29th day and by taking such action as may be required to cure the default that led to the giving of the Remedies Notice. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

(a) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all or a portion of the then-Outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus

(b) an amount of money equal to the Trustee's and the Paying Agent's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus

(c) an amount of money equal to the City's reasonable charges and expenses incurred in connection with the Company exercising its option to purchase all or a portion of the Project; plus

(d) an amount of money equal to all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs; plus

(e) the sum of $10.00.

Section 11.2. Conveyance of the Project. At the closing of the purchase of the Project pursuant to this Article, the City will upon receipt of the purchase price deliver to the Company the following:

(a) a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

(b) documents, including without limitation a special warranty deed as to the Project Site, conveying to the Company legal title to the Project, as it then exists, in recordable form, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreement on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The option to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture and may be exercised whether or not the Company is in default under this Lease, provided that such option will not result in nonfulfillment of any condition to the exercise of any such option (including the payment of all amounts specified in **Section 11.1** hereof) and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. The Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of (i) the expiration of the Lease Term following full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (ii) the final payment due under the Performance Agreement. The amount of the purchase price under this Section shall be an amount sufficient to redeem all the then Outstanding Bonds, plus all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs, plus accrued interest and the reasonable fees and expenses of the City and the Trustee.

Section 11.5. Right of Set-Off. At its option, to be exercised at least 5 days before the date of closing such purchase, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon. The Company may set-off any payment obligation under this Article by tendering a corresponding amount of the Bonds to the Trustee for cancellation.

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events occurs and is continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Lease:

(a) default in the due and punctual payment of Basic Rent or Additional Rent within 10 days after written notice thereof from the City to the Company; or

(b) default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company's part to be observed or performed, and such default continues for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as is reasonably required to cure such default, provided that (i) the Company has commenced such cure within said 60-day period, and (ii) the Company diligently prosecutes such cure to completion); or

(c) the Company: (i) admits in writing its inability to pay its debts as they become due; or (ii) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the United States Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (iii) makes an assignment for the benefit of creditors; or (iv) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company's consent or acquiescence, vacated or set aside; or (v) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (vii) suffers 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; or

(d) an Event of Default under the Performance Agreement, as defined in **Section 6.1** thereof.

Section 12.2. Remedies on Default. If any Event of Default referred to in **Section 12.1** hereof has occurred and continues beyond the period provided to cure, then the City may at the City's election (subject, however, to any restrictions against acceleration of the maturity of the Bonds or termination of this Lease in the Indenture), then or at any time thereafter, and while such default continues, take any one or more of the following actions, in addition to the remedies provided in **Section 12.5** hereof:

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable, as provided in the Indenture; or

(b) give the Company written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the Outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof, the Company's rights to possession of the Project shall cease and this Lease shall thereupon be terminated, and the City may re-enter and take possession of the Project; provided, however, if the Company has

paid all obligations due and owing under the ~~Indenture~~, this Lease and the Performance Agreement, the City shall convey the Project in accordance with **Section 11.2** hereof.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that its obligations under this Lease shall survive the cancellation and termination of this Lease, for any cause, and that the Company shall continue to pay the Basic Rent and Additional Rent (to the extent the Bonds remain Outstanding) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease; provided, however, that except for the indemnification contained in **Article X** hereof, upon the payment of all Basic Rent and Additional Rent required under **Article V** hereof, and upon the satisfaction and discharge of the Indenture under **Section 1301** thereof, and upon the Company's exercise of the purchase option contained in **Article XI** hereof, the Company's obligation under this Lease shall thereupon cease and terminate in full, except that obligations with respect to compensation and indemnification of the City and the Trustee shall not so terminate.

Section 12.4. Performance of the Company's Obligations by the City. Upon an Event of Default, the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 60 days after written notice of such failure is given the Company by the City 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 all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorney's fees and expenses) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the City and the Company hereunder are in addition to those otherwise provided by law and 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 City 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, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Notwithstanding anything in this **Section 12.5** or elsewhere in this Lease to the contrary, however, the Company's option to re-purchase the property as provided in **Article XI** above shall not be terminated upon an Event of Default unless and until this Lease is terminated to the extent permitted pursuant to **Section 12.2(b)** above. The parties agree that no provision of this Agreement shall be construed to allow the City to require the Company to acquire, construct or install the Project or to retain or create jobs.

Section 12.6. 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 the Company of any covenant, agreement or undertaking by the Company, the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving City's right to exercise any of its rights and remedies provided for herein with respect to any such default or defaults of the Company which were in existence at the time such payment or payments were accepted by the City.

Section 12.7. Trustee's Exercise of the City's Remedies. Whenever any Event of Default has occurred and is continuing, the Trustee may, but except as otherwise provided in the Indenture shall not

be obliged to, exercise any or all of the rights of the City under this Article, upon notice as required of the City unless the City has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture.

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest herein or part hereof for any lawful purpose under the Act upon providing written notice to the City. Except as otherwise provided in this Section, the Company must obtain the City's prior written consent to any such disposition, unless such disposition is to an entity controlled by or under common control with or controlling the Company.

(b) With respect to any assignment, the Company shall comply with the following conditions:

(i) the Company shall notify the City and the Trustee of the assignment in writing;

(ii) such assignment shall be in writing, duly executed and acknowledged by the assignor and in proper form for recording;

(iii) such assignment shall include the entire then unexpired term of this Lease; and

(iv) a duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee and in proper form for recording, by which the assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

(c) Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease, the Performance Agreement and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease, the Performance Agreement and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease, the Performance Agreement or any agreement related to the issuance of the Bonds.

Section 13.2. Assignment of Revenues by City. The City shall assign and pledge any rents, revenues and receipts receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of, interest and premium, if any, on the Bonds and the Company hereby consents to such pledge and assignment.

Section 13.3. Prohibition Against Fee Mortgage of Project. The City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During the Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture and except to enforce its rights under **Section 12.2(b)** hereof, it will not sell, assign, encumber, mortgage, transfer or convey the Project or any interest therein, except as provided in **Section 10.4** hereof.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and before the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture, which consent, however, shall not be unreasonably withheld, and the written consent of all of the Owners.

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be deemed duly given when (a) mailed by registered or certified mail, postage prepaid, or (b) sent by overnight delivery or other delivery service which requires written acknowledgment of receipt by the addressee, addressed as follows:

(a) To the City:

City of Washington, Missouri
City Hall
405 Jefferson Street
Washington, Missouri 63090
ATTN: City Administrator

with a copy to:

Lewis Rice LLC
1200 Jefferson Street
Washington, Missouri 63090
ATTN: Mark C. Piontek, Esq.

(b) To the Trustee:

UMB Bank, N.A.
2 S. Broadway, Suite 600
St. Louis, Missouri 63102
ATTN: Corporate Trust Department

(c) To the Company:

Valent Aerostructures, LLC
c/o LMI Aerospace, Inc.
6325 Avantha Drive
Washington, Missouri 63090
ATTN: Perry Pecaut

with a copy to:

Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
ATTN: Korb Maxwell, Esq.

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided, however, that notice to the Trustee shall be effective only upon receipt. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Company to the other shall also be given to the Trustee. The City, the Company and the Trustee 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 15.2. City Shall Not Arbitrarily Withhold Consents and Approvals. Wherever in this Lease it is provided that the City shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the City shall not arbitrarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules; provided, however, that nothing in this Lease shall be interpreted to affect the City's rights to approve or deny any additional project or matter unrelated to the Project, and the Project remains subject to zoning, building permit or other regulatory approvals by the City.

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City 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, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City holds unexpended funds received in accordance with the terms hereof such unexpended funds shall, after payment therefrom of all sums then due and owing by the Company under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Company.

Section 15.4. Limitation on Liability of City. No provision, covenant or agreement contained in this Lease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

Section 15.5. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 15.6. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the City and the Company and their respective successors and assigns.

Section 15.7. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 15.8. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.9. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15.10. City Consents and Approvals. Pursuant to the Ordinance, the Mayor is authorized to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing and refinancing of the Project by the Company, and such easements, licenses, rights-of-way, plats and similar documents as may be requested by the Company) as may be required to carry out and comply with the intent of the Ordinance, the Indenture and this Lease. The Mayor is also authorized, unless otherwise expressly provided herein to the contrary, to grant on behalf of the City such consents, estoppels and waivers relating to the Bonds, the Indenture, this Lease or the Performance Agreement, including extensions of the Completion Date, as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of this Lease or adversely affect the tax exemption as provided for therein, waive an Event of Default, or materially change the nature of the transaction unless approved by an ordinance of the City Council.

Section 15.11. Company's Covenants as to Project Site.

(a) Notwithstanding anything herein to the contrary, the Company is prohibited from purchasing the Project for resale unless the Company is also selling the lot adjacent to the Project Site (as legally described on **Exhibit B** hereto, the "Series 2010 Project Site").

(b) The Company covenants to combine the Project Site with the Series 2010 Project Site into one parcel once (i) the Bonds, (ii) the City's Recovery Zone Facility Revenue Bonds (Valent Aerostructures Project), Series 2010A and (iii) the City's Industrial Development Revenue Bonds (Valent Aerostructures Project), Series 2010B, are no longer Outstanding.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

VALENT AEROSTRUCTURES, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

PROJECT SITE

The land situated in Franklin County, Missouri, and described as follows:

EXHIBIT B

SERIES 2010 PROJECT SITE

The land situated in Franklin County, Missouri, and described as follows:

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: UMB BANK, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF AUGUST 1, 2016, BETWEEN THE CITY OF WASHINGTON, MISSOURI, AND THE TRUSTEE, AND THE LEASE AGREEMENT DATED AS OF AUGUST 1, 2016, BETWEEN THE CITY OF WASHINGTON, MISSOURI, AND VALENT AEROSTRUCTURES, LLC

The undersigned Authorized Company Representative hereby states and certifies that:

1. A total of $_____ is requested to pay for Project Costs (as defined in the Indenture). The total amount of this requisition and all prior requisitions are as follows:

Date of Project Costs	***Amount Submitted in this Requisition***	***Requisitions Submitted to Date (Including this Requisition)***

2. Said Project Costs shall be paid in whole from Bond proceeds in such amounts, to such payees and for such purposes as set forth on **Schedule 1** hereto.

3. Each of the items for which payment is requested are or were desirable and appropriate in connection with the purchase and construction of the Project (as defined in the Trust Indenture), have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company or are justly due to the Persons whose names and addresses are stated on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund.

4. As of this date, except for the amounts referred to above, to the best of my knowledge there are no outstanding disputed statements for which payment is requested for labor, wages, materials, supplies or services in connection with the purchase and construction of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof.

VALENT AEROSTRUCTURES, LLC

By: _____
Authorized Company Representative

Approved this _____ day of _____, 20___.

CITY OF WASHINGTON, MISSOURI

By: _____
Authorized City Representative

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

Payee and Address	Description	Amount

EXHIBIT D

BOND PURCHASE AGREEMENT

$4,000,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF WASHINGTON, MISSOURI
TAXABLE INDUSTRIAL REVENUE BONDS
(VALENT AEROSTRUCTURES, LLC PROJECT)
SERIES 2016A

Dated as of August 1, 2016

BOND PURCHASE AGREEMENT

Honorable Mayor
and City Council
City of Washington, Missouri

On the basis of the representations and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Valent Aerostructures, LLC, a Delaware limited liability company (the "Purchaser"), offers to purchase from the City of Washington, Missouri (the "City"), the above-referenced bonds (the "Bonds"), to be issued by the City under and pursuant to Ordinance No. ____ adopted by the City Council on August 1, 2016 (the "Ordinance") and a Trust Indenture dated as of August 1, 2016 (the "Indenture") by and between the City and UMB Bank, N.A., as trustee (the "Trustee"). *Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.*

SECTION 1. REPRESENTATIONS AND AGREEMENTS

(a) By the City's acceptance hereof, the City hereby represents to the Purchaser that:

(1) The City is a third-class city duly organized and validly existing under the laws of the State of Missouri. The City is authorized pursuant to the Constitution, the laws of the State of Missouri, and the ordinances and resolutions of the City, and all necessary action has been taken to authorize, issue and deliver the Bonds and to consummate all transactions contemplated by the Ordinance, this Bond Purchase Agreement, the Indenture, the Lease Agreement dated as of August 1, 2016 (the "Lease") by and between the City and the Purchaser, the Performance Agreement dated as of August 1, 2016 (the "Performance Agreement") by and between the City and the Purchaser, and any and all other agreements relating thereto. The proceeds of the Bonds shall be used for the purpose of acquiring and constructing the Project and paying the costs incurred in connection with the issuance of the Bonds.

(2) There is no controversy, suit or other proceeding of any kind pending and served or, to the City's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act taken in connection with the issuance of the Bonds or the constitutionality or

validity of the obligations represented by the Bonds or the validity of the Bonds, the Ordinance, the Lease, the Indenture, the Performance Agreement or this Bond Purchase Agreement.

(b) The Purchaser represents as follows:

(1) *Organization.* The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly authorized to transact business and is in good standing in the State of Missouri.

(2) *No Conflict or Breach.* The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound.

(3) *Documents Legal, Valid and Binding.* When executed and delivered by the Purchaser, this Bond Purchase Agreement will be, and is, a legal, valid and binding obligation, enforceable in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and further subject to the availability of equitable remedies.

(4) *Purchaser's Certificates.* Any certificate signed by an authorized officer or agent of the Purchaser and delivered to the City shall be deemed a representation and warranty by the Purchaser to such parties as to the statements made therein.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions set forth herein and in the Indenture, the Purchaser agrees to purchase from the City, and the City agrees to sell to the Purchaser, the Bonds on the terms and conditions set forth herein.

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined), which amount shall be applied as provided in the Indenture and the Lease. From time to time after the Closing Date, the Purchaser shall make additional payments with respect to the Bonds ("Additional Payments") to the Trustee under the Indenture, which Additional Payments shall be applied to the payment of Project Costs or as provided in the Indenture and the Lease; provided that the sum of the Closing Price and all such Additional Payments shall not, in the aggregate, exceed $4,000,000 plus the costs of issuance of the Bonds (if such costs of issuance are not paid with Bond proceeds).

As used herein, the term "Closing Date" shall mean August ___, 2016, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term "Closing Price" shall mean the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date, which amount shall be equal to any Project Costs spent by the Purchaser from its own funds on or before the Closing Date, and, at the Purchaser's option, the

costs of issuance of the Bonds if such costs are not paid for from Bond proceeds. The Closing Price shall be transferred to the Trustee on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance, the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully-registered bond in the maximum aggregate principal denomination of $4,000,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the records of the Trustee, absent manifest error, and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

SECTION 3. CONDITIONS TO THE OBLIGATIONS

The obligations hereunder shall be subject to the due performance by the parties of the obligations and agreements to be performed hereunder on or prior to the Closing Date and to the accuracy of and compliance with the representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) There shall be delivered to the Purchaser on or prior to the Closing Date a duly certified copy of the Ordinance, the Indenture, the Lease, the Performance Agreement, this Bond Purchase Agreement and any other instrument contemplated thereby, and such documents shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser.

(b) The City shall confirm on the Closing Date by a certificate that at and as of the Closing Date the City has taken all action necessary to issue the Bonds and that there is no controversy, suit or other proceeding of any kind pending and served or, to its knowledge, threatened against the City wherein any question is raised affecting in any way the legal organization of the City or the legality of any official act shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the obligations represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof.

(c) The Purchaser shall execute a certificate, dated the Closing Date, to the effect that (1) no litigation, proceeding or investigation is pending against the Purchaser or its affiliates or, to the knowledge of the Purchaser, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Bonds, or (B) in any way contest the existence or powers of the Purchaser, (2) no litigation, proceeding or investigation is pending or, to the knowledge of the Purchaser, threatened against the Purchaser that could reasonably be expected to adversely affect its ability to perform its obligations under the Lease and the Performance Agreement, (3) the representations and warranties of the Purchaser herein were and are true and correct in all material respects and not misleading as of the date made and as of the Closing Date, and (4) such other matters as are reasonably requested by the other parties in connection with the issuance of the Bonds.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser may cancel its obligation hereunder to purchase the Bonds by notifying the City in writing at or before the Closing Date. The Purchaser shall reimburse the City for its actual reasonable

expenses incurred in connection with the transactions contemplated by this Bond Purchase Agreement upon such cancellation.

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Gilmore & Bell, P.C., Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements by either party shall remain operative and in full force and effect, and shall survive delivery of the Bonds to the Purchaser.

SECTION 7. NOTICE

Any notice or other communication to be given under this Agreement may be given in writing by mailing or delivering the same as follows:

(a) To the City:

City of Washington, Missouri
City Hall
405 Jefferson Street
Washington, Missouri 63090
ATTN: City Administrator

with a copy to:

Lewis Rice LLC
1200 Jefferson Street
Washington, Missouri 63090
ATTN: Mark C. Piontek, Esq.

(b) To the Trustee:

UMB Bank, N.A.
2 S. Broadway, Suite 600
St. Louis, Missouri 63102
ATTN: Corporate Trust Department

(c) To the Purchaser:

Valent Aerostructures, LLC
c/o LMI Aerospace, Inc.
6325 Avantha Drive
Washington, Missouri 63090
ATTN: Perry Pecaut

with a copy to:

Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
ATTN: Korb Maxwell, Esq.

SECTION 8. APPLICABLE LAW

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri.

SECTION 9. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[Remainder of page intentionally left blank]

Very truly yours,

VALENT AEROSTRUCTURES, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DATE OF EXECUTION: August ___, 2016

Accepted and Agreed to this 30th day of June, 2016.

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

EXHIBIT E

PERFORMANCE AGREEMENT

PERFORMANCE AGREEMENT

Dated as of August 1, 2016

BETWEEN THE

CITY OF WASHINGTON, MISSOURI

AND

VALENT AEROSTRUCTURES, LLC

Relating to:

$4,000,000
(Aggregate Maximum Principal Amount)
City of Washington, Missouri
Taxable Industrial Revenue Bonds
(Valent Aerostructures, LLC Project)
Series 2016A

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of August 1, 2016, as from time to time amended and supplemented in accordance with the provisions hereof (this "Agreement"), between the **CITY OF WASHINGTON, MISSOURI**, a third-class city organized and existing under the laws of the State of Missouri (the "City") and **VALENT AEROSTRUCTURES, LLC**, a Delaware limited liability company (the "Company").

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City Council passed Ordinance No. ____ (the "Ordinance") on August 1, 2016, authorizing the City to issue its Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, in the maximum principal amount of $4,000,000 (the "Bonds"), secured by a certain Trust Indenture (the "Indenture") by and between the City and UMB Bank, N.A., as Trustee, for the purpose of acquiring approximately 7 acres of land located at 6325 Avantha Drive in the City (the "Project Site"), and constructing thereon an approximately 30,000 square foot addition (the "Project Improvements") to the Company's existing manufacturing facility, as more fully described in the Indenture.

3. The City will lease the Project Site and the Project Improvements to the Company pursuant to a Lease Agreement dated as of the date hereof between the City and the Company (the "Lease"). Under the Lease, the City, as lessor, will purchase and construct, or will cause the Company to purchase and construct, the Project Site and Project Improvements.

4. Pursuant to the foregoing, the City desires to enter into this Agreement with the Company in consideration of its desire to cause the purchase and construction of the Project Site and Project Improvements, upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to the words and terms defined in the Recitals or in the Indenture, the following words and terms as used herein shall have the following meanings:

"Additional PILOT Payment" means the additional payments in lieu of taxes provided for in **Section 3.3** hereof.

"Affiliate" means any corporation, limited liability company, limited liability partnership, trust, partnership or other comparable entity which is directly or indirectly controlled by, under common control with, or which controls the Company.

"Agreement" means this Performance Agreement dated as of August 1, 2016, between the City, and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

"Average County Wage" means the most recently reported average annual wage (excluding benefits) for the preceding calendar year, for persons employed in Franklin County, Missouri, as calculated in the Census of Employment and Wages and reported by the Missouri Department of Economic Development. However, if for any year the computed average county wage for Franklin County, Missouri is above the statewide annual average wage for the State of Missouri, the statewide annual average wage shall be deemed the Average County Wage for such year.

"Collector" means the Collector of Revenue of Franklin County, Missouri.

"County Assessor" means the Assessor of Franklin County, Missouri.

"Event of Default" means any Event of Default as provided in **Section 6.1** hereof.

"Job" means a full-time equivalent position with the Company or one of its Affiliates of not less than 35 hours per week located in the City, which shall include normal full-time employee benefits offered by the Company or one of its Affiliates. "Jobs" does not include positions filled by workers who are not directly employed by the Company or one of its Affiliates.

"PILOT Payments" means the payments in lieu of taxes provided for in **Section 3.2** hereof.

"Project" means, collectively, the Project Site and the Project Improvements and all additions, modifications, improvements, replacements and substitutions made to the Project Site and Project Improvements pursuant to the Lease as they may at any time exist.

"Project Costs" shall have the meaning set forth in **Section 101** of the Indenture.

"Test Date" means December 31 of each year, beginning on December 31, 2016.

"Test Period" means the period from and including a Test Date to the next succeeding Test Date; provided, the first Test Period shall commence on December 31, 2015 and end on December 31, 2016.

ARTICLE II

ISSUANCE OF BONDS

Section 2.1. Issuance of the Bonds. As described herein, the City intends to issue the Bonds (to be purchased by the Company) under the Act for the purpose of paying a portion of the Project Costs. In connection with the issuance of the Bonds, the City will acquire fee simple title to the Project from the Company.

ARTICLE III

PROPERTY TAX EXEMPTION; PILOT PAYMENTS

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem taxes on real property.

Section 3.2. Payments in Lieu of Taxes.

(a) The Company covenants and agrees that, during each year the Project is exempt from ad valorem real property taxes by reason of the City's ownership thereof, the Company will make PILOT Payments in such amounts and at such times set forth in this **Article III**.

(b) The County Assessor will, until this Agreement is terminated, determine an assessed valuation with respect to the Project in accordance with Article X, Section 4(b) of the Missouri Constitution and Section 137.115 of the Revised Statutes of Missouri, as amended, as if title to the Project were in the name of the Company and not the City. Such assessment shall be performed as of January 1 of each year. To facilitate the assessment, the Company agrees to provide to the County Assessor each year, by the same date on which property declarations are required by law to be made,

(1) a list of Project Improvements made during the calendar year; and

(2) such other information as the County Assessor may reasonably require to complete the assessment of the Project.

(c) The County Assessor shall notify the City and the Company of the assessed valuation in writing.

(d) On or about the same date on which the Collector notifies taxpayers of taxes due under Missouri law, the Collector shall notify the Company and the City of the amount of PILOT Payments due hereunder. Except as otherwise provided in **Sections 3.3** and **3.6** hereof, the PILOT Payments shall be calculated as follows:

(1) for the calendar years 2016 through 2027, 50% of the actual real property taxes that would have otherwise been payable on the Project Site (land only), but for the City's ownership thereof; plus

(2) for the calendar years 2016 and 2017, 100% of the actual real property taxes that would have otherwise been payable on the Project Improvements, but for the City's ownership thereof; plus

(3) for each of the calendar years 2018 through 2027, 50% of the actual real property taxes that would have otherwise been payable on the Project Improvements, but for the City's ownership thereof.

(e) Each PILOT Payment shall be payable to the Collector. The Company covenants and agrees to make such PILOT Payments on or before March 31 of the following year during the term of this Agreement. The Company's failure to receive notices under (c) or (d) of this Section does not relieve the Company of its obligations to make the applicable PILOT Payments by March 31 of the following year as provided herein.

(f) The Company shall exercise its option pursuant to **Section 11.4** of the Lease to purchase the Project transferred to the City no later than December 31, 2027. If title to the Project as described in the preceding sentence has not been transferred by the City to the Company before the earlier of (1) January 1, 2028 or (2) January 1 of the year following the expiration of the term of this Agreement, then on December 31 of such year and each year thereafter until title to the Project is transferred to the Company, the Company shall pay to the Collector a PILOT Payment equal to 100% of the amount that would otherwise be payable to each taxing jurisdiction but for the City's ownership thereof.

(g) Within 30 days after receipt of each PILOT Payment, the Collector shall, after deducting its customary fee for collection thereof and, if applicable, after deducting the percentage designated by Section 137.720 of the Revised Statutes of Missouri (currently 1.7%) as if the PILOT Payment were a "property tax collection" and depositing such amount into the assessment fund, divide each PILOT Payment among the taxing jurisdictions in proportion to the amount of the then current ad valorem tax levy of each taxing jurisdiction.

(h) If the County Assessor fails to perform an assessment of the value of the Project, the following procedures will apply:

(1) The County Assessor shall notify the City and the Company within five days of any refusal by the County Assessor to perform an assessment. Within 30 days of such notice, the Company and the City shall each appoint an appraiser licensed by the State of Missouri (each of whom shall also be a member of the Appraisal Institute carrying the designation of "M.A.I.").

(2) Within 45 days of such appointment, each appointed appraiser shall examine the Project Site and the Project Improvements and, using the same methodology and factors that would be used by the County Assessor, render an opinion as to the assessed value thereof. The City and the Company will cooperate in all respects to enable the appointed appraisers to perform the duties specified herein within the applicable timeframe.

(3) If the opinions rendered by each appointed appraiser are within 10% of each other, the assessed value for purposes of this Section shall equal the average assessed value of the two appraisers' opinions.

(4) If the opinions rendered by each appointed appraiser are not within 10% of each other, the two appraisers shall mutually appoint a third appraiser meeting the requirements of subparagraph (1). This appraiser shall perform an appraisal as provided by subparagraph (2) and

the assessed value for the purposes of this Section shall equal the average assessed value of the two highest appraiser opinions.

(5) The Company will pay the costs and expenses incurred by all appraisers appointed pursuant to this Section.

Section 3.3. Adjustment of PILOT Payments for Failure to Maintain Jobs and Payroll.

(a) Within 30 days after each Test Date, the Company shall file with the City (1) an executed copy of the Chapter 100 Annual Compliance Form in substantially the form attached hereto as **Exhibit A** and (2) supporting documentation in sufficient detail so as to enable the City to verify the aggregate annual payroll for the Jobs during the Test Period. The City Administrator or his designee shall monitor these requirements and shall promptly notify the Collector of the amount of the Additional PILOT Payments due. The Company shall make an Additional PILOT Payment (in addition to any payments required under **Section 3.2**) to the Collector on or before March 31 of the year following such calendar year in which the Company fails to maintain an aggregate annual payroll for the Jobs during the Test Period of at least (1) $7,500,000 for calendar years 2016 through 2018 and (2) $10,000,000 for the remaining term of this Agreement, in accordance with the following formula:

For Calendar Years 2016 through 2018:

$$\textbf{P.P.} \quad \textbf{X} \quad \frac{\textbf{\$7,500,000 - A.P.}}{\textbf{\$7,500,000}} \quad = \quad \textbf{Additional PILOT Payment}$$

For the Remaining Term of this Agreement:

$$\textbf{P.P.} \quad \textbf{X} \quad \frac{\textbf{\$10,000,000 - A.P.}}{\textbf{\$10,000,000}} \quad = \quad \textbf{Additional PILOT Payment}$$

P.P. = PILOT Payment under **Section 3.2** for Test Date year
A.P. = Aggregate payroll for the Jobs during the Test Period ending on the Test Date

(b) The calculations set forth in this **Section 3.3** shall be performed as of each Test Date, with any resulting increase in Additional PILOT Payments as a result of such recalculation to be applicable for the tax year in which such Test Date occurs. In no event shall the sum of the Additional PILOT Payments under paragraph (a) above, together with the PILOT Payment pursuant to **Section 3.2** hereof, exceed 100% of the actual property taxes that would have otherwise been payable on the Project, but for the City's ownership thereof, for the given year.

Section 3.4. PILOT Payments if the Company Purchases the Project.

(a) If the Company exercises its option to purchase the Project pursuant to **Section 11.1** of the Lease before the City notifies the Company of the PILOT Payments due under this Agreement, the Company shall make a PILOT Payment to the Collector equal to 100% of the amount that would have been payable to each taxing jurisdiction for the preceding calendar year but for the City's ownership of the Project. Once the City notifies the Company of the amount due under **Section 3.2** for the calendar year in which the Company purchases the Project, the Collector will refund the difference between the amount paid and the amount due to the Company.

(b) If the Company exercises its option to purchase the Project pursuant to **Section 11.1** of the Lease after receiving notification of the PILOT Payment due under this Agreement for the calendar year in which the Company purchases the Project, the Company shall pay that amount to the Collector (to be applied as provided in **Section 3.2(g)**) prior to closing on the purchase of the Project.

Section 3.5. Obligation to Effect Tax Abatement. The City shall, at the Company's request and at the Company's expense, take all actions, subject only to limitations imposed by applicable law, to obtain and/or maintain in effect the exemption referred to in **Section 3.1** above, including any filing required with any governmental authorities; provided, however, the City shall not be liable for any failure of any other governmental taxing authority to recognize the exemption provided herein, and the City shall not be required to file or participate in any litigation to effect the exemption. The City covenants that it will not voluntarily take any action intended to cause or induce the levy or assessment of ad valorem taxes on the Project. If such a levy or assessment occurs, the City will, at the Company's request and at the Company's expense, cooperate with the Company in all reasonable ways to prevent and/or remove any levy or assessment against the Project.

Section 3.6. Other Property Taxes in Connection with the Project; Credits. The property tax exemption provided by the City's ownership of the Project is expected to apply to all interests in the Project during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project during the period the City owns the Project (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement shall be reduced by the amount of ad valorem tax payments paid by the Company and received by the Collector with respect to the Project. The Company is responsible for any taxes related to any interest in the Project that the Company owns in its own name or granted to the Company other than pursuant to the Lease. Notwithstanding **Section 4.6** hereof, there shall be no reduction in PILOT Payments for any sales taxes imposed by any governmental authority, including the Missouri Department of Revenue, in connection with the Company's acquisition of construction materials for real property improvements at the Project Site.

Section 3.7. No Abatement on Special Assessments, Licenses or Fees. The City and the Company agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project. The Company agrees to make payments with respect to all special assessments, licenses and fees that would otherwise be due with respect to the Project if the Project were not owned by the City.

Section 3.8. The Company's Right to Protest Taxes. No provision of this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law or otherwise which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment or classification of the Project.

Section 3.9 Personal Property. The parties hereto acknowledge that the Project may include the installation of fixtures. Said fixtures are intended to be subject to this Agreement as part of the Project and are not intended to constitute personal property. The Company may acquire personal property on its own accord; however, such personal property shall not be subject to the terms of this Agreement and shall be subject to ad valorem taxes (unless otherwise excepted pursuant to a separate agreement with the City).

Section 3.10. Cessation or Reduction of Operations at the Project Site. If for any reason (unless the Project has been subject to a casualty and the Company is rebuilding the Project Improvements) the Company and its Affiliates completely vacate, abandon and cease operations and fail to occupy a portion of the Project Site during the term of this Agreement, and if the Company does not exercise its option to purchase the Project within 90 days after such vacancy, abandonment, cessation of operations or failure to occupy, the Company shall make a PILOT Payment to the Collector (to be distributed as provided in **Section 3.2**) equal to 100% of the amounts that would otherwise be payable to each taxing jurisdiction if the Project were not owned by the City. Such payment shall be made on or before December 31 in the year in which the Company and its Affiliates cease operations and on each December 31 thereafter for each year in which the Project is, on January 1 of such year, still titled in the name of the City, and the Company and its Affiliates have ceased operations or failed to occupy the Project Site.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS OF THE COMPANY

Section 4.1. Inspection. The City may conduct such periodic inspections of the Project as may be generally provided in the City Code. In addition, the Company agrees that the City and its duly authorized agents may at reasonable times (during business hours but without disruption to the business), subject to at least five (5) Business Days' advance written notice and in observance of the Company's usual business proprietary, safety, confidentiality and security requirements, enter upon the Project Site to examine and inspect the Project and the records of the Company that demonstrate compliance with this Agreement.

Section 4.2. Representations and Warranties.

(a) The Company represents that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The Company is a limited liability company duly organized and validly existing under the laws of the State of Delaware and is duly authorized to transact business and is in good standing under the laws of the State of Missouri.

(2) The Company has the right, power and authority to enter into, execute, deliver and perform its duties and obligations under this Agreement, and operate the Project.

(3) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary action, and does not violate the certificate of organization or limited liability company agreement of the Company, as the same may be amended and supplemented, or to the best of the Company's knowledge, any applicable provision of law, nor does it constitute a breach of or default under or require any consent under any agreement, instrument or document to which the Company or any Affiliate is now a party or by which the Company or any Affiliate is now or may become bound.

(4) There are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, or to the best of the Company's knowledge, threatened or affecting the Company that would impair its ability to perform under this Agreement.

(5) The Company has obtained (or prior to the applicable time required will obtain) and will maintain all government permits, certificates and consents (including without limitation appropriate environmental approvals) necessary to conduct its business and to operate the Project.

(6) To the best of the Company's knowledge, the Project is and will be in material compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project, including environmental laws, subject to all applicable rights of the Company to contest the same.

(7) The Project will be operated by the Company in a manner that is consistent with the description of the Project herein and in the Lease.

(b) The City represents that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The City is a third-class city duly organized and validly existing under the laws of the State of Missouri.

(2) The execution, delivery and performance by the City of this Agreement has been duly authorized by all necessary City actions.

(3) The City has the right, power and authority to enter into, execute, deliver and perform its duties and obligations under this Agreement.

(4) To the best of the City's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending and served, or to the best of the City's knowledge, threatened or affecting the City that would impair its ability to enter into or perform its obligations under this Agreement.

Section 4.3. Survival of Covenants. All representations of the Company and the City contained in **Section 4.2** hereof will survive the execution and delivery of this Agreement and the issuance of the Bonds, as representations of facts existing as of the date of execution and delivery of this Agreement. The Company covenants and agrees that the obligations under **Section 4.4** hereof shall survive the cancellation and termination of this Agreement, for any cause, and that the Company shall continue to make the payments required hereunder and perform all other obligations specified herein, all at the time or times provided herein; provided, however, that when all payments required hereunder have been made, the Company's obligations under this Agreement (except for **Section 4.4** hereof) shall thereupon cease and terminate in full.

Section 4.4. Indemnification of City. The Company shall indemnify, defend and hold harmless the City from and against all claims, demands, costs, liabilities, damages or expenses, including reasonable attorneys' fees, by or on behalf of any person, firm or entity arising from the City's ownership, conduct or management of the Project, or from any work or thing done in, or injury occurred on or about, the Project during the term of the Lease, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the term of the Lease from any event described in **Sections 10.5** and **10.9** of the Lease to the extent and subject to the limitations provided therein.

Section 4.5. Costs of Issuance of the Bonds; Payment to City. The Company agrees to pay or provide for the payment of, on the issuance date of the Bonds, all costs of issuance incurred in connection therewith as more fully defined in **Section 101** of the Indenture. If this Agreement is terminated before the payment in full of the Bonds or the expiration of the Lease Term or the rights and interests of the Company under this Agreement are assigned pursuant to **Article V** hereof, the Company shall pay any costs of the City in connection therewith, including the City's legal fees and bond counsel fees.

Section 4.6. Sales Tax Exemptions. The City will provide a project exemption certificate to the Company (or an Affiliate thereof) in connection with the Company's acquisition of construction materials for the Project. Except as provided in the prior sentence, the purchase and construction of the Project shall not be exempt from any sales taxes imposed by any governmental authority by virtue of the City's ownership of the Project, and neither the City nor the Company will request any such exemption. Nothing herein shall limit the Company's right to any exemption of sales taxes not resulting from the City's ownership of fee simple title to the Project.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred, assigned, pledged or in any other manner hypothecated, except as provided in **Section 13.1** of the Lease; but nothing herein shall preclude the Company from (i) mortgaging the leasehold estate as provided in **Section 10.4(b)** of the Lease or (ii) assigning or pledging its interest and obligations in the Project or any obligation under this Agreement or the other Financing Documents as provided in **Section 10.4 (c)** of the Lease.

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.1. Events of Default. If any one or more of the following events occurs and is continuing, it is hereby defined as and declared to be and to constitute an Event of Default hereunder:

(a) the Company fails to make any PILOT Payment required to be paid hereunder within 10 business days after written notice and demand given by the City to the Company;

(b) the Company fails to perform any of its material obligations hereunder for a period of 30 days (or such longer period as the City and such party or parties may agree in writing) following written notice to the Company from the City of such failure, or if such failure is not subject to cure within such 30 days after such notice, such party or parties fail to initiate action to cure the default within such 30 days after such notice is given and fail to pursue such action diligently;

(c) any representation of any party contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 30 days (or such longer period as the City and such party may agree in writing) after the City has given written notice to such party specifying the false or erroneous representation and requiring it to be remedied; provided,

that if such matter is not subject to cure within such 30 days after such notice, such party fails to initiate action to cure the default within such 30 days after such notice is given and fails to pursue such action diligently;

(d) the average wage of all Jobs is less than 90% of the Average County Wage for any Test Period; or

(e) the occurrence and continuance of an event of default under the Performance Agreement dated as of August 1, 2010, as amended, among the City, the Company and the Washington Civic Industrial Corp., a Missouri corporation, entered into in connection with the City's Recovery Zone Facility Revenue Bonds (Valent Aerostructures Project), Series 2010A, and Industrial Development Revenue Bonds (Valent Aerostructures Project), Series 2010B.

Section 6.2. Remedies on Default. Any Event of Default referred to in **Section 6.1** hereof shall also constitute an Event of Default under the Lease, affording the City the remedies specified therein.

Section 6.3. Interest on Late Payments. Any amounts due hereunder that are not paid when due shall bear interest at the interest rate of 18% per annum from the date such payment was first due.

Section 6.4. Enforcement. In addition to the remedies specified in **Section 6.2**, upon the occurrence of an Event of Default, the City or any taxing jurisdictions that would benefit from the PILOT Payments provided for in this Agreement may bring an action for specific performance to enforce such payments. In the event of litigation pertaining to the enforcement of this Agreement, the Company shall pay all costs of litigation, including reasonable attorneys' fees.

ARTICLE VII

TERM OF AGREEMENT

Section 7.1. Term of Agreement. This Agreement shall become effective upon execution by the parties hereto and shall terminate upon the earliest to occur of the following:

(a) the payment in full of the Bonds (or any bonds issued to refund the Bonds) and the payment of all amounts due under this Agreement;

(b) the occurrence and continuance of an Event of Default beyond the cure period and the subsequent termination of this Agreement pursuant to the provisions of the Lease and this Agreement; or

(c) the expiration of the Lease Term set forth in **Section 3.2** of the Lease.

Section 7.2. Payments in Last Year. The foregoing provisions of **Section 7.1** shall not relieve the Company of its obligation to make any PILOT Payment owing during the year in which the Bonds are paid, to the extent the Company receives the ad valorem tax exemption contemplated for that year.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Mutual Assistance. The City and the Company agree to take such actions as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

Section 8.2. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be deemed duly given when (a) mailed by registered or certified mail, postage prepaid, (b) sent by overnight delivery or other delivery service which requires written acknowledgment of receipt by the addressee, or (c) with respect to assessed valuation information or the amount of PILOT Payments only, sent by facsimile or electronic mail, as follows:

(a) To the City:

City of Washington, Missouri
City Hall
405 Jefferson Street
Washington, Missouri 63090
ATTN: City Administrator
E-mail: jbriggs@ci.washington.mo.us

with a copy to:

Lewis Rice LLC
1200 Jefferson Street
Washington, Missouri 63090
ATTN: Mark C. Piontek, Esq.
E-mail: mpiontek@lewisrice.com

(b) To the Company:

Valent Aerostructures, LLC
c/o LMI Aerospace, Inc.
6325 Avantha Drive
Washington, Missouri 63090
ATTN: Perry Pecaut
E-mail: ppecaut@lmiaerospace.com

with a copy to:

Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
ATTN: Korb Maxwell, Esq.
E-mail: kmaxwell@polsinelli.com

Section 8.3. Severability; Effect of Invalidity. If for any reason any provision of this Agreement is determined to be invalid or unenforceable, such invalid or unenforceable term will be

deemed severed from this Agreement and the validity and enforceability of the other provisions hereof shall not be affected thereby. If this Agreement, or any portion hereof, or any agreements related hereto, are determined to be invalid, the City may not recover or recapture any taxes subject to abatement as provided herein or benefits accruing to the Company prior to such determination if the Company has paid taxes in an amount at least equal to the PILOT Payments due under this Agreement.

Section 8.4. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 8.5. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 8.6. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court, and the filing of any such action not discharged within ninety (90) days of its filing shall constitute an Event of Default hereunder.

Section 8.7 Entire Agreement. This Agreement, together with the Lease, the Indenture and any other documents entered into of even date herewith in connection with the issuance of the Bonds, constitute the entire agreement of the parties with respect to the subject matter hereof. This Agreement shall not be modified except by written agreement signed on behalf of the parties hereto by their duly authorized representatives.

Section 8.8. Electronic Storage. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8.9. Employee Verification. The Company shall comply with and satisfy the requirements of Section 285.530.2 of the Revised Statutes of Missouri, as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavit and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2016.

Section 8.10. City Consents and Approvals. Pursuant to the Ordinance, the Mayor is authorized to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing and refinancing of the Project by the Company, and such easements, licenses, rights-of-way, plats and similar documents as may be requested by the Company) as may be required to carry out and comply with the intent of the Ordinance, the Indenture and the Lease. The Mayor is also authorized, unless otherwise expressly provided herein to the contrary, to grant on behalf of the City such consents, estoppels and waivers relating to the Bonds, the Indenture, the Lease or this Performance Agreement, including extensions of the Completion Date, as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds,

increase the term of the Lease or adversely affect the tax exemption as provided for therein, waive an Event of Default, change the amount of PILOT Payments or Additional PILOT Payments due hereunder, or materially change the nature of the transaction unless approved by an ordinance of the City Council.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

VALENT AEROSTRUCTURES, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

JOINDER BY COUNTY ASSESSOR

The Office of the Franklin County Assessor hereby joins in the foregoing Performance Agreement to the extent required to perform the obligations assigned to it pursuant to **Article III** thereof.

OFFICE OF THE FRANKLIN COUNTY ASSESSOR

By: _____
Name: Tom Copeland
Title: County Assessor

EXHIBIT A

CHAPTER 100 ANNUAL COMPLIANCE REPORT

To be filed on or before October 30 of each year during the term of the Lease

Business Name and Address	*MO. Tax I.D. Number*
Name, Title, and Contact Information for Certifier	*Federal Employer I.D. Number (FEIN)*
Aggregate annual payroll for the Jobs during the Test Period	*Test Date* December 31, 20___
Average County Wage for the calendar year of the Test Date	*Average Wage of the Jobs*

The undersigned, duly authorized representative of Valent Aerostructures, LLC, hereby states and certifies that the information set forth in this report is true and correct.

Authorized Signature	*Date*

For questions, please contact Darren Lamb at (636) 390-1004.

Please send form to:

City of Washington, Missouri
City Hall
405 Jefferson Street
Washington, Missouri 63090
Attn: Economic Development Director

BILL NO. 16-____ **INTRODUCED BY COUNCILMAN _____**

ORDINANCE NO. 16-_____

AN ORDINANCE AUTHORIZING THE CITY TO AMEND CERTAIN AGREEMENTS IN CONNECTION WITH ITS RECOVERY ZONE FACILITY REVENUE BONDS (VALENT AEROSTRUCTURES PROJECT), SERIES 2010A AND INDUSTRIAL DEVELOPMENT REVENUE BONDS (VALENT AEROSTRUCTURES PROJECT), SERIES 2010B

WHEREAS, the City of Washington, Missouri, a third-class city and political subdivision of the State of Missouri (the "City"), is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (RSMo) (collectively, the "Act"), to purchase, construct, extend, improve and equip certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, pursuant to the Act, the governing body of the City passed an ordinance (the "Ordinance") on August 16, 2010, authorizing the City to issue (i) its Recovery Zone Facility Revenue Bonds (Valent Aerostructures Project), Series 2010A, in installments in the maximum aggregate principal amount of $5,635,645 (the "Series 2010A Bonds"), and (ii) its Industrial Development Revenue Bonds (Valent Aerostructures Project), Series 2010B, in installments in the maximum aggregate principal amount of $2,391,751 (the "Series 2010B Bonds," together with the Series 2010A Bonds, the "Bonds"), for the purpose of (a) acquiring certain real property located at 6325 Avantha Drive in Washington, Missouri (the "Project Site"), (b) leasing the Project Site to the Washington Civic Industrial Corp. ("WCIC") for the purpose of constructing an approximately 85,000 square foot manufacturing facility thereon, including the purchase and installation of equipment and fixtures related thereto (the "Project Improvements"), and (c) paying a portion of the costs of issuing the Bonds; and

WHEREAS, pursuant to the Ordinance, the City entered into a Trust Indenture dated as of August 1, 2010 (the "Original Indenture") with the UMB Bank, N.A., as trustee (the "Trustee") for the purpose of issuing and securing the Bonds, as therein provided, and entered into the Lease Agreement dated as of August 1, 2010 (the "Original Lease") with WCIC under which the City acquired the Project Site, leased the Project Site to WCIC for the purpose of constructing the Project Improvements, and consented to a WCIC sublease of the Project Site and a lease of the Project Improvements (collectively, the "2010 Project"), in consideration of rental payments by WCIC sufficient to pay the principal of and interest on the Bonds. WCIC subleased the 2010 Project to Valent Aerostructures, LLC, a Delaware limited liability company (the "Company"), pursuant to the Sublease Agreement dated September 3, 2010 (the "Original Sublease"); and

WHEREAS, in consideration of the terms and conditions of the Original Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City entered into the Performance Agreement dated as of August 1, 2010 (as amended, the "Original Performance Agreement"), by and among the City, WCIC and the Company; and

6f

WHEREAS, WCIC, as grantor, entered into a Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of August 1, 2010 (the "Original Leasehold Deed of Trust") with Victor Zarrilli, as trustee, for the benefit of the Trustee, as beneficiary, securing the payment of the Bonds; and

WHEREAS, the Company desires to subdivide the Project Site to facilitate a new project pursuant to the Act consisting of the expansion of the Project Improvements (the "2016 Project"); and

WHEREAS, the City desires to enter into an Omnibus Amendment to Lease, Sublease, Indenture, Performance Agreement and Leasehold Deed of Trust in substantially the form attached hereto as **Exhibit A** (the "Omnibus Amendment") in order to amend the Original Lease, Original Sublease, Original Indenture, Original Performance Agreement and Original Leasehold Deed of Trust (collectively, the Original Documents") by releasing a portion of the Project Site to the Company who will deed the released portion back to the City as part of the 2016 Project;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WASHINGTON, MISSOURI, AS FOLLOWS:

Section 1. Authorization of Omnibus Amendment. The City is hereby authorized to enter into the Omnibus Amendment, in substantially the form presented to and approved by the City Council and attached to this Ordinance as **Exhibit A**, with such changes therein as are approved by the officials of the City executing the document, such officials' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Omnibus Amendment. The Mayor is hereby authorized to execute the Omnibus Amendment and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, including documents pertaining to the transfer of property, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to attest to and affix the seal of the City to the Omnibus Amendment and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 3. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Omnibus Amendment.

Section 4. Severability. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones; and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent. The invalid provision shall be omitted and this Ordinance shall be amended to the extent possible to conform to the original intent of the City.

Section 5. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval.

Passed:_____

ATTEST:_____ _____
President of City Council

Approved:_____

ATTEST:_____ _____
Mayor of Washington, Missouri

EXHIBIT A

OMNIBUS AMENDMENT

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT:	OMNIBUS AMENDMENT TO LEASE, SUBLEASE, INDENTURE, PERFORMANCE AGREEMENT AND LEASEHOLD DEED OF TRUST
DATE OF DOCUMENT:	August ___, 2016
GRANTORS:	CITY OF WASHINGTON, MISSOURI, WASHINGTON CIVIC INDUSTRIAL CORP., VALENT AEROSTRUCTURES, LLC AND UMB, BANK, N.A.
GRANTORS' MAILING ADDRESSES:	City of Washington, Missouri 405 Jefferson Street Washington, Missouri 63090 Washington Civic Industrial Corp. c/o Politte & Thayer 315 W. Main Street Washington, Missouri 63090 Valent Aerostructures, LLC 6325 Avantha Drive Washington, Missouri 63090 UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102

GRANTEES:	CITY OF WASHINGTON, MISSOURI, WASHINGTON CIVIC INDUSTRIAL CORP., VALENT AEROSTRUCTURES, LLC AND UMB, BANK, N.A.
GRANTEES' MAILING ADDRESSES:	City of Washington, Missouri 405 Jefferson Street Washington, Missouri 63090 Washington Civic Industrial Corp. c/o Politte & Thayer 315 W. Main Street Washington, Missouri 63090 Valent Aerostructures, LLC 6325 Avantha Drive Washington, Missouri 63090 UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See **Schedule II**
REFERENCE BOOK AND PAGE:	Document Nos. 1014444, 1014442, 1014443, 1014445 and 201004684

OMNIBUS AMENDMENT TO LEASE, SUBLEASE, INDENTURE, PERFORMANCE AGREEMENT AND LEASEHOLD DEED OF TRUST

THIS OMNIBUS AMENDMENT TO LEASE, SUBLEASE, INDENTURE, PERFORMANCE AGREEMENT AND LEASEHOLD DEED OF TRUST, dated August ___, 2016 (the "Omnibus Amendment"), by and among the **CITY OF WASHINGTON, MISSOURI,** a third-class city organized and existing under the laws of the State of Missouri (the "City"), **WASHINGTON CIVIC INDUSTRIAL CORP.**, a Missouri corporation ("WCIC"), **VALENT AEROSTRUCTURES, LLC**, a Delaware limited liability company (the "Company"), and **UMB BANK, N.A.**, St. Louis, Missouri, as trustee (the "Trustee").

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the governing body of the City passed an ordinance (the "Ordinance") on August 16, 2010, authorizing the City to issue (a) its Recovery Zone Facility Revenue Bonds (Valent Aerostructures Project), Series 2010A, in installments in the maximum aggregate principal amount of $5,635,645 (the "Series 2010A Bonds"), and (b) its Industrial Development Revenue Bonds (Valent Aerostructures Project), Series 2010B, in installments in the maximum aggregate principal amount of $2,391,751 (the "Series 2010B Bonds," together with the Series 2010A Bonds, the "Bonds"), for the purpose of (i) acquiring certain real property located at 6325 Avantha Drive in Washington, Missouri (the "Project Site"), (ii) leasing the Project Site to WCIC for the purpose of constructing an approximately 85,000 square foot manufacturing facility thereon, including the purchase and installation of equipment and fixtures related thereto (the "Project Improvements"), and (iii) paying a portion of the costs of issuing the Bonds.

3. Pursuant to the Ordinance, the City entered into a Trust Indenture dated as of August 1, 2010 (the "Original Indenture") with the Trustee for the purpose of issuing and securing the Bonds, as therein provided, and entered into the Lease Agreement dated as of August 1, 2010 (the "Original Lease"), a memorandum of which was recorded in the real estate records of Franklin County, Missouri on September 8, 2010 as Document No. 1014442, with WCIC under which the City acquired the Project Site, leased the Project Site to WCIC for the purpose of constructing the Project Improvements, and consented to a WCIC sublease of the Project Site and a lease of the Project Improvements (collectively, the "Project"), in consideration of rental payments by WCIC sufficient to pay the principal of and interest on the Bonds. WCIC subleased the Project to the Company pursuant to the Sublease Agreement dated September 3, 2010 (the "Original Sublease"), a memorandum of which was recorded in the real estate records of Franklin County, Missouri on September 8, 2010 as Document No. 1014443.

4. In consideration of the terms and conditions of the Original Lease, the Ordinance, issuance of the Bonds and certain other agreements, the City entered into the Performance Agreement dated as of August 1, 2010 (as amended as described herein, the "Original Performance Agreement"), a

memorandum of which was recorded in the real estate records of Franklin County, Missouri on September 8, 2010 as Document No. 1014444, by and among the City, WCIC and the Company. The Original Performance Agreement was amended by the First Amendment to Performance Agreements dated as of December ___, 2012 and further amended by the Second Amendment to Performance Agreements dated as of _____, 2014.

5. WCIC, as grantor, entered into a Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of August 1, 2010 (the "Original Leasehold Deed of Trust") recorded in the real estate records of Franklin County, Missouri on September 8, 2010 as Document No. 1014445 with Victor Zarrilli, as trustee, for the benefit of the Trustee, as beneficiary, securing the payment of the Bonds.

6. The Company desires to subdivide the Project Site to facilitate a new project pursuant to the Act consisting of the expansion of the Project Improvements (the "2016 Project")

7. The parties hereto desire to amend the Original Lease, Original Sublease, Original Indenture, Original Performance Agreement and Original Leasehold Deed of Trust (collectively, the Original Documents") by releasing a portion of the Project Site (the "Released Portion") to the Company who will deed the released portion back to the City as part of the 2016 Project.

NOW, THEREFORE, in consideration of the premises herein contained, the parties do hereby agree to amend certain documents as follows:

Section 1. Project Site Legal Description. Exhibit A to each of the Original Documents is deleted and replaced with **Schedule II** attached hereto.

Section 2. Company's Covenants as to Released Portion and Project Site.

(a) Notwithstanding anything in the Original Documents to the contrary, the Company is prohibited from purchasing the Project Site for resale unless the Company is also selling the Released Portion.

(b) The Company covenants to combine the Project Site with the Released Portion back into one parcel once the Bonds and the City's Taxable Industrial Revenue Bonds (Valent Aerostructures, LLC Project), Series 2016A, are no longer Outstanding.

Section 3. Amendment to Original Performance Agreement.

(a) **Section 3.2(f)** of the Original Performance Agreement, as amended, is hereby amended so that the PILOT Payments are due by March 31 of the following year each year during the term of the Agreement.

(a) **Sections 3.3(a)** and **(b)** of the Original Performance Agreement, as amended, are hereby amended so that the Additional PILOT Payments are due by March 31 of the calendar year following the Test Date on which the Company failed to perform.

Section 4. Waiver of Notice. The parties hereto hereby waive any and all notice required to be given under the Original Documents in connection with the purchase of a portion of the Project by the Company.

Section 5. Consent of Owner. The Bank of Washington, as Owner of 100% of the Bonds Outstanding, hereby directs the Trustee to enter into this Omnibus Amendment, consents to the execution of this Omnibus Amendment by the parties hereto and hereby waives any notice required under the Original Documents.

Section 6. Applicability of Original Documents. Except as otherwise provided in this Omnibus Amendment, the provisions of the Original Documents are hereby ratified, approved and confirmed.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Omnibus Amendment to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF WASHINGTON, MISSOURI

By: _____
Sandy Lucy, Mayor

[SEAL]

ATTEST:

By: _____
Mary Trentmann, City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
FRANKLIN COUNTY)

On this _____ day of August, 2016, before me, the undersigned, a Notary Public, appeared **SANDY LUCY**, to me personally known, who, being by me duly sworn, did say that she is the Mayor of the **CITY OF WASHINGTON, MISSOURI**, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name: Mark D. Grimm
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

VALENT AEROSTRUCTURES, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
_____ **COUNTY**)

On this _____ day of August 2016, before me, the undersigned, a Notary Public in and for said State, appeared _____, to me personally known, who, being by me duly sworn, did say that she/he is the _____of **VALENT AEROSTRUCTURES, LLC**, a Delaware limited liability company, and that said instrument was signed on behalf of said company by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name:_____
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

WASHINGTON CIVIC INDUSTRIAL CORP.

By: _____
Name: William L. Miller
Title: President

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF FRANKLIN)

On this ____ day of August, 2016, before me appeared **WILLIAM L. MILLER**, to me personally known, who, being by me duly sworn, did say that he is the President of **WASHINGTON CIVIC INDUSTRIAL CORP.**, a Missouri corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and said individual acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name:_____
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

UMB BANK, N.A.

By: _____
Printed Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
CITY OF ST. LOUIS)

On this _____ day of August, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me personally known, who, being by me duly sworn, did say that he/she is a [TITLE] of **UMB BANK, N.A.**, and that said instrument was signed in behalf of said national association by authority of its governing body, and said officer acknowledged said instrument to be the free act and deed of said national association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name:_____
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

As Owner of 100% of the Bonds Outstanding, we hereby direct the Trustee to enter into this Omnibus Amendment, and consent to and approve the execution by the City, WCIC, the Company and the Trustee of this Omnibus Amendment and we hereby waive the notices required under the Original Documents.

BANK OF WASHINGTON

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF FRANKLIN)

On this _____ day of August, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me personally known, who, being by me duly sworn, did say that he/she is the _____ of **BANK OF WASHINGTON**, a state-chartered bank of Missouri, and that said instrument was signed in behalf of said bank by authority of its governing body, and said officer acknowledged said instrument to be the free act and deed of said bank.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

_____
Name:_____
Notary Public in and for said State

My Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

SCHEDULE I

LEGAL DESCRIPTION OF THE RELEASED PORTION

The following described real estate situated in the County of Franklin, State of Missouri:

SCHEDULE II

LEGAL DESCRIPTION OF THE PROJECT SITE

The following described real estate situated in the County of Franklin, State of Missouri: