

AGENDA
CITY COMMISSION MEETING
Tuesday, August 4, 2015
1:00 P.M.

- I. **11:00 a.m. -12:00 p.m. - Joint meeting between the City of Garden City, Finney County, and the City of Holcomb Commissions in the large meeting room at the City Administrative Center.**
- II. **REGULAR MEETING CALLED TO ORDER AND CITY CLERK ANNOUNCING QUORUM PRESENT.**
- III. **PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION.**
- IV. **APPROVAL OF THE MINUTES OF THE LAST REGULAR MEETING, WHICH IF NO CORRECTIONS ARE OFFERED, SHALL STAND APPROVED.**
- V. **PUBLIC COMMENT** Agenda Schedule Allowance: 30 minutes (5 minutes per spokesperson)
- VI. **CONSIDERATION OF PETITIONS, MEMORIALS AND REMONSTRANCES.**
 - A. Randy Partington, ESGR (Employer Support of the Guard and Reserve) Area Chair for Southwest Kansas, wishes to recognize and honor the Garden City Police Department as a nominee for the 2015 Freedom Award.
- VII. **REPORT OF THE CITY MANAGER.**
 - A. The Safety Committee has chosen Matt Bribiesca, Journeyman Lineman in the Electric Department, as the second quarter 2015 Safety Recognition winner.
 - B. The City has received correspondence from Cox Communication regarding channel line-up changes.
 - C. Staff has identified several items that should be addressed in off-season at the Big Pool and completed in a manner in which will allow the facility to open on schedule for the 2016 season.
 - D. Fire Chief Shelton and Interim Police Chief Prewitt will be present to provide an update on fireworks related calls.
 - E. Staff has provided the monthly sales tax report from Finance Director Hitz for Governing Body review.
 - F. Meetings of note:
 - ✓ August 1, 2015 – Downtown Summer Sidewalk Sale starting at 7:30 a.m.
 - ✓ August 13, 2015 – Southwest Kansas Business Leadership conference at the Clarion Inn Ballroom from 8:00 a.m. – 4:00 p.m.
 - ✓ August 15, 2015 Downtown Shop Small Saturday
 - ✓ August 15, 2015 – Banner Art Walk Preview downtown from 4:00 p.m. – 6:00 p.m.

- ✓ August 19, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.
- ✓ August 29, 2015 – Garden City Area Chamber of Commerce 10th Annual Wine Tasting Event at the Clarion Inn at 7:00 p.m.
- ✓ September 12, 2015 – A Wild Affair: Celebrating Funky Monkey Style at Fynnup Center for Conservation Education at 6:00 p.m.
- ✓ September 16, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.
- ✓ September 19, 2015 – Fallfest 2015, Downtown District from 8:30 a.m. – 3:00 p.m.
- ✓ October 1, 2015 – Cultural Diversity Breakfast & Multicultural Summit
- ✓ October 17, 2015 – Boo at the Zoo at 4:00 p.m.
- ✓ October 21, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.

VIII. CONSIDERATION OF APPROPRIATION ORDINANCE.

- A. Appropriation Ordinance No. 2393-2015A.

IX. CONSIDERATION OF ORDINANCES AND RESOLUTIONS.

- A. At the April 2, 2013 election, a majority of the electors of the City of Garden City, Kansas approved the continuation of the 0.50% retailers' sales tax in the City previously authorized in 2005 and schedule to sunset in 2015, with revenues from the tax to be used to stabilize the City's ad valorem property tax levy and finance construction and maintenance of transportation improvements. The attached ordinance is required by the Kansas Department of Revenue regarding the sales tax that was approved.

- 1. Ordinance No. _____-2015, an ordinance levying a City Retailers' Sales Tax in the amount of 0.50% within the City of Garden City, Kansas.

X. OLD BUSINESS.

- A. The Governing Body is asked to consider authorizing the use of temporary financing for the Central Fire Station addition to allow for construction to begin this fall.
- B. With the completion of the mid-year review of the 2015 budget and the adoption of the 2016 budget, the Governing Body is asked to consider and approve the 2015 General Obligation Bond issue, and if approved, adopt a resolution setting the bond sale for September 1, 2015 at 11:00 a.m.
 - 1. Resolution No. _____, 2015, a resolution of the City of Garden City, Kansas, authorizing public sale of the City's General Obligation Bonds, Series 2015, in an estimated principal amount of \$9,940,000.00; setting forth the details of the public sale; and providing for given notice thereof.

XI. NEW BUSINESS.

- A. The Governing Body is asked to consider authorization of a Development Agreement and Lease with Option to Purchase with Meadowlark Dairy Nutrition, LLC

B. **Consent Agenda for approval consideration:** (The items listed under this “consent agenda” are normally considered in a single motion and represent items of routine or prior authorization. Any member of the Governing Body may remove an item prior to the vote on the consent agenda for individual consideration.)

1. Governing Body consideration and approval of the Lease Agreement between First Bank and the City of Garden City for the annual lease of a Bobcat loader with bucket and pallet forks for the Garden City Regional Airport.
2. Governing Body consideration and acceptance of bids received July 28, 2015 for the following projects:
 - a) Mary Street Lift Station Rehabilitation
 - b) Garden City Regional Airport Wastewater Lagoon Rip-rap.
3. Governing Body consideration and approval of a development agreement estoppel certificate between the City of Garden City, Kansas and Schulman Crossing Partners, LLC.
4. Governing Body consideration and approval of the semi-annual report for the CDBG Revolving Loan Fund on behalf of Great Plains Development, Inc.
5. Permission for Angela Chairez to reserve Space 5, Lot 62, Zone J of Valley View Cemetery for the consideration of \$50.00 for the period of one year.
6. Licenses:

(2015 Renewal)

- a) Ron’s Sign Company.....Class D-1 Sign Installation
- C. Staff requests Governing Body consideration of an Executive Session pursuant to K.S.A. 75-4319(b)(2) pertaining to consultation with an attorney for the body or agency which would be deemed privileged in the attorney-client relationship.
- D. Staff requests Governing Body consideration of an executive session pursuant to K.S.A. 75-4319(b)(6) pertaining to preliminary discussions relating to the acquisition of real property.

XII. CITY COMMISSION REPORTS.

A. Commissioner Fankhauser

B. Commissioner Cessna

C. Commissioner Dale

D. Mayor Doll

E. Commissioner Law

XIII. ADJOURN.

THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS

City of Garden City

July 21, 2015

The regular meeting of the Board of Commissioners of the City of Garden City was held at 1:00 p.m. at the City Administrative Center on Tuesday, July 21, 2015 with all members present except Commissioner Dale. Commissioner Law opened the meeting with the Pledge of Allegiance to the Flag and Invocation.

Commissioner Fankhauser moved to approve a request from Katrina Lowry, on behalf of Russell Child Development, to waive the sign fees and to place a 10’x3’ vinyl banner at Stevens Park (location to be determined by Parks Department) on July 25, 2015 for their 50th anniversary celebration. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Commissioner Fankhauser moved to approve a request from Diane Hunsberger, on behalf of Sunrise Kiwanas, to waive the sign fees and to place a sign at Stevens Park (location to be determined by Parks Department) on July 25, 2015 for their 100th anniversary celebration. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

The City received correspondence from Cox Communication regarding channel line-up changes.

Staff provided several items of information for Governing Body review including the following: from Director of Aviation Powell, the monthly activity report, from Community Development Director Kentner the building and code enforcement reports, from Finance Director Hitz the monthly financials, from Fire Chief Shelton the monthly activity reports, from Interim Police Chief Prewitt the monthly activity report, from Public Works Director Curran the city projects update and from Zoo Director Newland the monthly activity report.

Meetings of note:

- ✓ July 15, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.
- ✓ August 15, 2015 – Banner Art Walk Preview downtown from 4:00 p.m. – 6:00 p.m.

- ✓ August 19, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.
- ✓ August 29, 2015 – Garden City Area Chamber of Commerce 10th Annual Wine Tasting Event at the Clarion Inn at 7:00 p.m.
- ✓ September 12, 2015 – A Wild Affair: Celebrating Funky Monkey Style at Finnup Center for Conservation Education at 6:00 p.m.
- ✓ September 16, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.
- ✓ October 1, 2015 – Cultural Diversity Breakfast & Multicultural Summit
- ✓ October 17, 2015 – Boo at the Zoo at 4:00 p.m.
- ✓ October 21, 2015 – Garden City Area Chamber of Commerce monthly breakfast at The Golf Club at Southwind at 7:30 a.m.

Appropriation Ordinance No. 2392-2015A, “AN APPROPRIATION ORDINANCE MAKING CERTAIN APPROPRIATIONS FOR CERTAIN CLAIMS IN THE AMOUNT OF \$1,108,443.29,” was read and considered section by section. Commissioner Law moved to approve and pass Appropriation Ordinance No. 2392-2015A. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Ordinance No. 2700 - 2015, “AN ORDINANCE AMENDING THE ZONING REGULATIONS FOR THE CITY OF GARDEN CITY, KANSAS TO ALLOW CHURCHES IN ALL ZONING DISTRICTS; AMENDING ZONING REGULATIONS, SECTIONS 2.030, 4.020, 4.030, 5.020, 6.020, 7.020, 9.020, 11-A.020, 11-B.020, 12.020, 12.030, 13.020, 13.030, 14.020, 14.030, 15.020, 15.030, 16.020, 16.030, 17.020, 17.030, 18.020, 18.030, 19.020, 19.030; REPEALING IN THEIR ENTIRETY CURRENT ZONING REGULATIONS SECTIONS 2.030, 4.020, 4.030, 5.020, 6.020, 7.020, 9.020, 11-A.020, 11-B.020, 12.020, 12.030, 13.020, 13.030, 14.020, 14.030, 15.020, 15.030, 16.020, 16.030, 17.020, 17.030, 18.020, 18.030, 19.020, 19.030; ALL TO THE CODE OF ORDINANCES FOR THE CITY OF GARDEN CITY, KANSAS,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2700-2015. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Ordinance No. 2701-2015, “AN ORDINANCE APPROVING THE REZONING OF LAND FROM “C-2” GENERAL COMMERCIAL DISTRICT TO “R-3” MULTIPLE FAMILY RESIDENTIAL DISTRICT; AMENDING THE ZONING ORDINANCE AND THE DISTRICT ZONING MAP OF THE CITY; AND REPEALING THE CURRENT ZONING ORDINANCE AND DISTRICT ZONING

MAP; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS (1614 N. Taylor Avenue),” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2701-2015. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Ordinance No. 2702-2015, AN ORDINANCE AMENDING THE DISTRICT ZONING MAP OF THE CITY OF GARDEN CITY, KANSAS; REPEALING THE CURRENT DISTRICT ZONING MAP OF THE CITY; ALL TO THE CODE OF ORDINANCES OF THE CITY OF GARDEN CITY, KANSAS,” was read and considered section by section. Commissioner Cessna moved to approve Ordinance No. 2702-2015. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

At 1:15 p.m., Mayor Doll opened the public hearing for the purpose of the Governing Body hearing questions, concerns and comments from the public in regards to the proposed 2016 Budget for the City of Garden City.

There being no comments from the public, Mayor Doll closed the public hearing.

Commissioner Fankhauser moved to approve and authorize the certificate of the budget, which summarizes the maximum levy of property tax, \$6,611,646 for specific taxing funds, establishes the maximum expenditure for all funds of the city’s budget and totals \$104,806,791 (including transfers and Recreation Commission). Mayor Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Commissioner Law moved to deny the Notice of Claim of Brennan Reeder. Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Commissioner Cessna moved to approve the Disadvantage Business Enterprise (DBE) program for the Garden City Regional Airport in accordance with regulations

of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Mayor Doll seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Commissioner Cessna moved to appoint Skylar Swords to fill an unexpired term on the Community Health Advisory Board set to expire January 2018. Commissioner Law seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Commissioner Law moved to approve the following:

1. An amendment to the Grow Well agreement for custodial services with Jet Air Cleaners.
2. Bids received July 14, 2015 for reconstruction of portions of Emerson Street and John Street.
3. Permission for John C. Linenberger to reserve Space 2, Lot 57, Zone C of Sunset Memorial Gardens for the consideration of \$50.00 for the period of one year.
4. Licenses:
 - (2015 New)**
 - a) Kaas Digital, LLCTaxi Station/Taxi Cab
 - b) Kiwi Construction.Class A General
 - c) Shock Wave Electric.. Class D-E Electrical
 - d) Hollis Roofing, Inc. Class D-R Roofing

(2015 Renewal)

- e) Coleman Sprinkler Lawn and Landscape, LLC... Class E-SOC Specialized Other

Commissioner Fankhauser seconded the motion. The vote was taken by yeas and nays and recorded as follows:

| | | | | |
|--------|--------|------|------------|-----|
| Cessna | Dale | Doll | Fankhauser | Law |
| Yea | Absent | Yea | Yea | Yea |

Mayor Doll adjourned the meeting since there was no further business before the Governing Body.

Janet A. Doll, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk

City Commission Reports

Commissioner Law stated he received a call from a citizen regarding the reverse angle parking and 3-lanes on Main Street and stated if it doesn't work it can be changed. Commissioner Law mentioned that the City is trying to get communication out to citizens to education them about the changes. Commissioner Law commented that he received a call from a citizen that was frustrated with recent changes with Cox Communication and has learned that the franchise issues are negotiated on a state level and not a local level.

Commissioner Fankhauser thanked Water Resource Manager Jones for the water update and is happy to see the city saving water. Commissioner Fankhauser thanked Chief Shelton for the review of the plans for the addition at the central fire station.

Commissioner Cessna reminded citizens of the re-striping of Main Street and stated it was a project that was reviewed by the Capital Improvement Project Committee. Commissioner Cessna stated he is happy to see new cat attraction coming to Lee Richardson and the recent birth of the red pandas and lion cubs. Commissioner Cessna was pleased with the pre-meeting topics of the water production usage and the Central Fire Station addition. Commissioner Cessna commented that it was great to see Garden City named as a finalist city for the future site of a proposed transload shipping center. Commissioner Cessna mentioned he was pleased to see Garden City Recreation Commissioner Cessna hosting eleven foreign-exchange students this summer to work in various departments. Commissioner Cessna reminded citizens that the first half day of school is August 13, 2015 and the first full day of school is August 14, 2015.

Commissioner Dale was absent.

Mayor Doll thanked staff for the meeting regarding the proposed plans for the remodel project at the Central Fire Station and was pleased to see several firefighters in attendance and in support of the remodel project. Mayor Doll thanked Water Resource Manager Jones for his presentation on the water usage and maintenance in Garden City.

Petitions

Memo

To: Garden City Commission
Matt Allen, City Manager

From: Randy Partington 

Date: 8/4/2015

Re: ESGR Nominee for the 2015 Freedom Award

On behalf of the Employer Support of the Guard and Reserve (ESGR), I will be at the August 4, 2015 city commission meeting to present an award for the Garden City Police Department as a nominee for the Freedom Award. The Garden City Police Department is eligible for this nomination as a result of previously receiving the Patriot Award and the Above and Beyond Award for their support of Juan Barajas Leon during his most recent deployment.

The Freedom Award is the highest award given by the U.S. Government to employers for their outstanding support of employees serving in the Guard and Reserve. Each year, Guard and Reserve family member nominate their employer for the Freedom Award. The ESGR State Committees review nominations and submit recommendations to advance to the next round in three categories: small employer, large employer and public sector. A national selection board comprised of senior Department of Defense officials, business leaders and prior awardees select 15 employers to receive the Secretary of Defense Employer Support Freedom Award.

It is an honor for the Garden City Police Department to receive the Nominee for the 2015 Freedom Award. For more information about the Freedom Award, visit <http://www.freedomaward.mil/>.

Report of the City Manager



To: Governing Body
From: Safety Committee
Date: July 29, 2015
RE: City of Garden City Safety Recognition Program Recipient Second Quarter 2015

City of Garden City Safety Recognition Program Overview

Each quarter all employees may submit nominations to recognize those who go above and beyond the normal duties to help improve the safety of their department, organization or to motivate employees to take that extra step with safety. The Safety Committee selects one winner per quarter that receives a personal day that can be used over the next year. At the end of the year, one of the quarterly winners will be selected as the Annual Individual Safety Recognition Recipient and will receive \$175.

Second Quarter 2015 Safety Recognition Award Recipient – Matt Bribiesca, Electric Department Journeyman Lineman

The Safety Committee selected Matt Bribiesca, Journeyman Lineman, as the recipient of the second quarter's award. Matt was nominated by Jose Chan, Apprentice Lineman. Jose provided the committee with information regarding Matt's safe work practices.

- Matt was nominated for enhancing the safety of others and for preventing an accident or injury.
- Matt was traveling to a work site and noticed an independent contractor trimming trees less than a foot away from a primary overhead line with no protection. Matt went out of his way to ensure the worker was aware of the danger and provided tips on how to reposition the truck in order to be within safety guidelines.

CITY COMMISSION

JANET A. DOLL,
Mayor

ROY CESSNA

MELVIN L. DALE

DAN FANKHAUSER

J. CHRISTOPHER LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE

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301 N. 8TH
P.O. Box 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

Celyn Hurtado

From: Allen, Lisa (CCI-Central Region) <Lisa.Allen@cox.com> on behalf of Stamp, Curt (CCI-Central Region) <Curt.Stamp@cox.com>
Sent: Thursday, July 23, 2015 3:06 PM
Subject: Cox Communications Upcoming Channel and Rate Changes

Dear Local Franchising Authority,

The following channel changes will occur for Cox Communications and Cox Business customers.

On or after August 25th, Encore Action will move from 501 to 439. Encore Classic will move from 502 to 440. Encore Suspense will move from 503 to 442. Encore Black will move from 504 to 443. Encore Westerns will move from 505 to 444. Starz will move from 507 to 449. Starz Edge will move from 508 to 450. Starz Black will move from 509 to 451. Encore will move from 510 to 438. Starz Kids & Family will move from 511 to 452. Starz Cinema will move from 512 to 453. Starz (W) will move from 518 to 454. Encore West will move from 519 to 445. Starz Comedy will move from 521 to 455. Encore Classic HD + will move from 2502 to 2440. Encore Suspense HD + will move from 2503 to 2442. Starz HD will move from 2507 to 2449. Starz Edge HD will move from 2508 to 2450. Starz In Black (E) HD + will move from 2509 to 2451. Encore HD will move from 2510 to 2438. Starz Kids & Family (E) HD + will move from 2511 to 2452. Starz (W) HD + will move from 2518 to 2454. Starz Comedy (E) HD + will move from 2521 to 2454.

On September 1, 2015 our HD Pay Per View channel will move from channels 710 and 1501 to channel 504. SD Pay Per View Channel will move from channel 707 to 501.

On September 5, 2015 ESPN Full Court and ESPN Gameplan channel 771 through channel 778 will be renamed ESPN College Extra and become part of the Sports & Info pak lineup. These channels will no longer be offered as part of a Pay-Per-View package.

These channels will be available to customers who subscribe to each package and receive their service with a compatible Cox digital receiver or CableCARD. Consumer-owned devices equipped with a CableCARD may require an advanced TV set top receiver or Tuning Adapter in order to receive all programming options offered by Cox Advanced TV.

Cox Communications Standard rates are being increased for installation and post installation service appointments placed on or after September 28th, 2015. Professional installation will increase from \$40.00 per product to \$50.00 per product and self-installation will increase from \$15.00 per product to \$20.00 per product. A post install service appointment within 30 days of a self-installation will increase from \$25.00 per product to \$50.00 per product and the rate for a standard service appointment will increase from \$60.00 per visit to \$75.00 per visit. Additional installation charges and discounts may apply depending on your services or package, or equipment.

We are truly grateful for the opportunity to serve your community. If you have any questions regarding these changes, please contact me at 479-717-3747.

Sincerely,



Curt Stamp



Memo

To: City Commissioners
Thru: Matt Allen, City Administrator
From: Fred Jones and Steve Cottrell
Date: 31 July, 2015
Re: Off season maintenance projects for Big Pool.

CITY COMMISSION
JANET A. DOLL, Mayor

ROY CESSNA
MELVIN L. DALE
DAN FANKHAUSER
J. CHRISTOPHER LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
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ISSUE

Staff has identified several items that should be addressed in off-season at the Big Pool and completed in a manner which will allow the facility to open on schedule for the 2016 season.

BACKGROUND

Main Drain Discharge Pit

1. Remove old cast iron ladder rungs, install new stainless ladder with fall protection device.
2. Replace sump pump and controls.
3. Install new Drain Valve and stainless operator rod.
4. Replace existing access hatches with stainless steel hatches.

Wetwell Building

1. Replace windows with louvered vents
2. Remove old unused electrical panel boxes
3. Inspect and replace conduit and junction boxes/electrical control panels with units appropriate for humid and damp conditions.
4. Remove old cast iron ladder rungs, install new stainless ladder with fall protection device.

High Service Pump Building

1. Install new meters on discharge mains.
2. Install Louvers or exhaust fan to improve air circulation and reduce heat buildup.

Pool Recirculation Lines

1. Install float valves on the two recirculation lines from the pool to the wetwell to control the water level in the pool and wetwell.

Filter Area

1. Service and lubricate all butterfly valves and replace valves as needed.

Joint Sealing



CITY COMMISSION
JANET A. DOLL, Mayor

ROY CESSNA
MELVIN L. DALE
DAN FANKHAUSER
J. CHRISTOPHER LAW

MATTHEW C. ALLEN
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1. After the pool is drained this month, evaluate the joints that were resealed last spring for effectiveness. Replace if needed or continue the same resealing process in other areas of the pool.

These improvements should not exceed \$150,000.00. This also does not address remaining major improvements suggested in the masterplan.

ALTERNATIVES

1. Authorize staff to proceed with these modifications.
2. Defer action until a later date.

RECOMMENDATION

Staff recommends authorizing staff to proceed to refine costs associated with these modifications.

FISCAL NOTE

Since the 2016 budget has just been approved, staff recommends funding these costs with temporary financing, which would defer budget impact into 2017.



Garden City Fire Department

P.O. Box 998
302 N. 9th
Garden City, KS 67846
E-mail: allen.shelton@gardencityks.us

Allen Shelton
Fire Chief
(620) 276-1140
Fax: (620) 276-1142

REPORT OF FIREWORK SEASON 2015

Garden City Commissioner's approved and adopted a Waiver of Ordinance 62-12 pertaining to the discharge of certain fireworks with-in the City Limits from June 27, 2015 to July 5, 2015 between the hours of 10:30 a.m. to 10:30 p.m., subject to specified exceptions of the waiver on June 2, 2015.

County Commissioners of Finney County, Kansas authorized the sale and discharge of certain fireworks within Finney County, Kansas; June 27th through July 5, 2015 between the hours of 10:30 a.m. to 10:30 p.m., by ratifying Finney County Resolution #20-2012 on June 5, 2015.

Garden City Fire Chief, Allen Shelton made public contact on June 27th, to the eighteen locations that had secured permits to sale fireworks in Finney County. At that time Chief Shelton talked with the retailers regarding firework safety and requested their assistance in promoting a safe fireworks season; educational and safety flyers were provided to the retailers at that time for distribution to their customers. On June 29th, Chief Shelton performed the Retail Fireworks Inspections at the eighteen locations, no major violations were found and all eighteen locations had passed inspections.

The Garden City firefighters monitored the discharge of fireworks throughout the community; educational and safety stops were performed by the fire fighters each evening from eight o'clock p.m. until 10:30 p.m. throughout the dates of June 27th to July 5th. The discharging of fireworks after the 10:30 p.m. time frame resulted in forty-three verbal warnings. On July 4th, shortly after 10:30 p.m., the Garden City Firefighters proceeded with an aggressive enforcement of the no discharge ruling. By midnight most discharge activity had ceased.

The Garden City Police Department was instrumental in assisting with the distribution of the educational flyers to citizens. Western Kansas Broadcaster Tim Boulware did a radio interview with Chief Shelton highlighting the dates and times for legal discharge of fireworks and fireworks safety. Coverage of the dates and time for legal discharge of fireworks in the City of Garden City and Finney County were also provided in several articles published in the Garden City Telegram.

Fire calls determined due to fireworks in the time period of June 27th to July 5th numbered twelve. Of those twelve calls six were within the city limits, three were in Garden City Township and three were in Sherlock Township.

At the date of this report there has been no report of property loss, injury or loss of life due to the discharge of fireworks during the 2015 Firework season in Garden City, Finney County, Kansas.

Report submitted by Fire Chief Allen Shelton, July 27, 2015.

CITY OF GARDEN CITY POLICE DEPARTMENT

304 N. 9TH STREET
GARDEN CITY, KANSAS 67846

620-276-1300
FAX: 620-276-1313
OR 620-276-1314

2015 FIREWORKS REPORT TO THE CITY COMMISSION

The Governing Body approved and adopted a Waiver to City Ordinance 62-12 with regards to the discharging of fireworks within the city limits of Garden City. This waiver specifically focused on the dates and times during which the discharging of fireworks would be allowed, settling on 27 JUNE 2015 through 05 JULY 2015 (10:30 am – 10:30 pm).

Likewise, the Finney County Commissioners authorized the sales and discharge with the County following the same dates and times.

The following is a listing of the Garden City Police Departments Fireworks Calls for Service.

| Police Department Fireworks Calls | | | | | | | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|----------|----------|-----------|
| | 6/27/2015 | 6/28/2015 | 6/29/2015 | 6/30/2015 | 7/1/2015 | 7/2/2015 | 7/3/2015 | 7/4/2015 | 7/5/2015 | |
| Unable To Locate | 3 | 1 | | | | | | 1 | | 5 |
| Attempt to Locate | 1 | | 2 | 2 | 2 | 6 | 1 | 1 | | 15 |
| No Report | 3 | | 5 | 1 | | 9 | 10 | 3 | 4 | 35 |
| Citation | | | | | | | | | | 0 |
| Warning | 2 | 1 | | 4 | | | 3 | | 1 | 11 |
| Written Warning | 1 | | | | | | | | 3 | 4 |
| Unfounded | | | | | | | | 1 | | 1 |
| | 10 | 2 | 7 | 7 | 2 | 15 | 14 | 6 | 8 | 71 |

Fireworks and the Independence Day celebrations have always taxed emergency service personnel within the City and County due to responding to reported fireworks violations, accidents and fires caused by fireworks. Trying to place an emphasis on public safety and quality of life, while not dampening and hindering the reason for, and the celebration of, the Independence Day holiday is very important.

Through a combined effort of transparency, public education and aggressive monitoring, the personnel of the Garden City Fire Department and the Garden City Police Department ensured that our community was able to safely celebrate this holiday.

Thank you for your time and consideration.

CPT Courtney Prewitt,
Garden City Police Department

Staff Reports

CITY OF GARDEN CITY, KANSAS
ANALYSIS OF COUNTY-WIDE SALES TAX RECEIPTS

| MONTH RECEIVED | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| JANUARY | 82,749 | 119,104 | 99,080 | 87,049 | 90,999 | 89,620 | 90,890 | 96,504 | 112,365 | 136,559 | 194,148 | 172,402 | 201,675 | 215,987 | 207,262 | 300,664 |
| FEBRUARY | 135,771 | 115,633 | 119,867 | 107,746 | 112,817 | 106,162 | 108,918 | 117,464 | 120,392 | 112,708 | 168,090 | 206,332 | 201,136 | 213,048 | 244,277 | 362,832 |
| MARCH | 111,517 | 94,385 | 89,945 | 83,994 | 93,138 | 83,528 | 84,800 | 91,096 | 111,384 | 127,434 | 176,275 | 176,089 | 187,616 | 198,757 | 200,357 | 290,207 |
| APRIL | 110,045 | 92,941 | 86,892 | 88,516 | 82,176 | 88,156 | 88,367 | 97,920 | 97,076 | 105,529 | 136,058 | 140,393 | 176,191 | 179,735 | 202,588 | 302,975 |
| MAY | 111,720 | 98,017 | 94,809 | 97,270 | 92,019 | 96,607 | 100,809 | 103,484 | 113,955 | 102,518 | 173,875 | 182,165 | 217,621 | 215,823 | 225,522 | 329,154 |
| JUNE | 99,148 | 93,362 | 101,379 | 98,922 | 86,040 | 82,884 | 99,561 | 98,793 | 107,235 | 110,225 | 174,577 | 192,468 | 197,406 | 205,745 | 227,284 | 313,770 |
| JULY | 111,647 | 91,208 | 99,915 | 97,573 | 91,205 | 88,888 | 95,381 | 109,492 | 130,863 | 126,193 | 163,203 | 175,188 | 199,698 | 238,623 | 232,796 | 313,034 |
| AUGUST | 113,844 | 98,717 | 96,327 | 91,715 | 97,295 | 101,836 | 104,308 | 99,317 | 123,221 | 103,580 | 180,595 | 178,778 | 209,006 | 213,331 * | 223,986 | |
| SEPTEMBER | 84,773 | 99,232 | 88,585 | 102,820 | 94,038 | 87,159 | 93,570 | 106,941 | 133,521 | 111,381 | 174,612 | 178,054 | 180,008 | 232,303 | 304,118 | |
| OCTOBER | * 129,697 | 106,658 | 102,705 | 97,918 | 90,696 | 105,259 | 101,146 | 112,166 | 117,796 | 108,343 | 174,202 | 189,062 | 203,819 | 218,503 | 313,005 | |
| NOVEMBER | 103,094 | 97,348 | 82,869 | 78,619 | 89,706 | 95,946 | 94,231 | 107,500 | 117,428 | 111,973 | 153,378 | 174,342 | 208,611 | 184,384 | 304,259 | |
| DECEMBER | 97,466 | 89,406 | 101,296 | 96,993 | 94,616 | 88,792 | 94,570 | 109,693 | 114,846 | 160,409 | 161,622 | 196,711 | 182,159 | 236,524 | 312,690 | |
| TOTAL RECEIPTS | <u>1,291,473</u> | <u>1,196,011</u> | <u>1,163,668</u> | <u>1,129,136</u> | <u>1,114,745</u> | <u>1,114,837</u> | <u>1,156,551</u> | <u>1,250,370</u> | <u>1,400,082</u> | <u>1,416,852</u> | <u>2,030,635</u> | <u>2,161,984</u> | <u>2,364,946</u> | <u>2,552,763</u> | <u>2,998,144</u> | <u>2,212,636</u> |
| PERCENTAGE CHANGE | 13.05% | -7.39% | -2.70% | -2.97% | -1.27% | "FLAT" | 3.74% | 8.11% | 11.97% | 1.20% | 43.32% | 6.47% | 9.39% | 7.94% | 17.45% | |

* REFLECTS HERE & THEREAFTER THE NET AMOUNT OF COUNTY-WIDE SALES TAX.
CITY REIMBURSES TO COUNTY THE DEDICATED 1/4 CENT FOR LEC PROJECT THROUGH
AUGUST 2014 RECEIPTS. FINALED AUGUST 2014.

CITY OF GARDEN CITY, KANSAS

ANALYSIS OF CITY SALES TAX RECEIPTS

| MONTH RECEIVED | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| JANUARY | 310,710 | 390,595 | 379,780 | 309,257 | 357,335 | 335,673 | 351,457 | 351,627 | 409,255 | 529,129 | 415,161 | 432,278 | 483,869 | 508,705 | 480,712 | 521,960 |
| FEBRUARY | 447,336 | 389,764 | 444,123 | 419,884 | 434,310 | 423,853 | 416,061 | 444,506 | 465,707 | 415,062 | 416,555 | 509,745 | 497,844 | 514,511 | 575,307 | 638,635 |
| MARCH | 371,146 | 344,152 | 321,705 | 304,720 | 346,371 | 316,320 | 317,599 | 338,956 | 418,336 | 461,822 | 432,675 | 426,585 | 438,777 | 468,745 | 469,435 | 470,493 |
| APRIL | 364,979 | 334,588 | 303,909 | 313,029 | 317,571 | 318,835 | 321,431 | 358,967 | 361,119 | 388,668 | 328,743 | 328,309 | 409,253 | 411,491 | 468,167 | 493,539 |
| MAY | 377,482 | 356,202 | 340,131 | 354,013 | 345,880 | 351,143 | 372,027 | 382,562 | 426,812 | 362,989 | 430,701 | 442,882 | 502,577 | 481,623 | 528,216 | 556,737 |
| JUNE | 344,293 | 341,573 | 336,435 | 356,920 | 340,240 | 319,314 | 364,552 | 363,536 | 398,458 | 413,934 | 423,173 | 471,595 | 457,884 | 469,940 | 526,978 | 523,569 |
| JULY | 361,811 | 331,627 | 359,143 | 329,005 | 338,923 | 330,628 | 350,754 | 394,947 | 456,516 | 469,538 | 402,144 | 431,189 | 453,965 | 554,262 | 540,941 | 540,334 |
| AUGUST | 369,837 | 350,737 | 342,529 | 322,875 | 376,955 | 371,521 | 377,510 | 372,473 | 456,809 | 373,995 | 433,641 | 420,914 | 490,394 | 504,212 | 526,281 | |
| SEPTEMBER | 304,050 | 363,139 | 324,385 | 366,794 | 362,024 | 323,475 | 341,558 | 388,244 | 463,398 | 421,706 | 415,115 | 433,117 | 424,160 | 529,341 | 509,837 | |
| OCTOBER | 449,981 | 382,926 | 368,395 | 357,624 | 341,725 | 369,193 | 365,725 | 408,881 | 446,179 | 411,421 | 425,392 | 450,833 | 468,586 | 501,467 | 516,778 | |
| NOVEMBER | 332,271 | 355,951 | 296,743 | 287,373 | 339,384 | 337,133 | 351,892 | 352,723 | 435,767 | 402,883 | 390,433 | 412,877 | 474,976 | 422,213 | 496,772 | |
| DECEMBER | 327,755 | 323,048 | 381,904 | 364,126 | 338,971 | 338,058 | 356,317 | 396,872 | 432,701 | 461,792 | 412,973 | 481,207 | 424,131 | 501,046 | 519,605 | |
| TOTAL RECEIPTS | <u>4,361,650</u> | <u>4,264,300</u> | <u>4,199,181</u> | <u>4,085,619</u> | <u>4,239,689</u> | <u>4,135,146</u> | <u>4,286,883</u> | <u>4,554,294</u> | <u>5,171,057</u> | <u>5,112,939</u> | <u>4,926,706</u> | <u>5,241,531</u> | <u>5,526,416</u> | <u>5,867,556</u> | <u>6,159,029</u> | <u>3,745,267</u> |
| PERCENTAGE CHANGE | 6.46% | -2.23% | -1.53% | -2.70% | 3.77% | -2.47% | 3.67% | 6.24% | 13.54% | -1.12% | -3.64% | 6.39% | 5.44% | 6.17% | 4.97% | |

Meetings of Note

CREATE VALUE & DRIVE CHANGE

Rita B Craig, SPHR

“Inspiring businesses to break out and create tomorrow’s opportunities ...today.”



Dynamic.

Engaging.

Enriching.

Rita B. Craig, SPHR, is founder and President of Top Tier Leadership, headquartered in Palm Beach Gardens, Florida.

If motivation and innovation are the life blood of business, Human Resources is the heart that keeps it all flowing. And nobody knows it better than Rita Craig. She taps into four decades of global human resources experience, including nearly 25 years in the corporate arena, to help transform clients – individuals, companies, public sector and associations – into highly effective employees, executives and organizations.

In addition to her professional accomplishments, Rita draws from her life experience as one of 11 siblings, delighting audiences with her inspirational outlook, anecdotal approach to business strategies and irresistible charm. When not speaking publicly, she engages employees, team leaders and company presidents as a results-driven leadership coach, collaboration and team-building expert, and human resources consultant.

WHEN: Thursday, August 13, 2015 ~ 8:00 a.m. to 4:00 p.m.

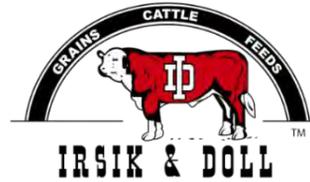
WHERE: Clarion Inn Ballroom-1911 E Kansas Ave Garden City, KS

REGISTRATION FEE: \$75 for members and \$90 for nonmembers by August 1, 2015. After August 1, \$85 for members and \$100 for nonmembers. Includes a continental breakfast, lunch, snacks, and workshop materials. Register at <http://www.shrmswks.com/Registration.asp>. For registration information, please contact Darlene Lucas, SHRM-CP, PHR @ 620-272-3897. You may also email her at DLucas@finneycounty.org.

A Special "Thank You" To Our Sponsors



**BlueCross
BlueShield
of Kansas**



St. Catherine Hospital
Centura Health.



REGISTRATION FORM - Thursday, August 13, 2015 • 8:00 a.m. – 4:30 p.m.

Mail registration form & check payable to: SHRM of SWKS, PO Box 2401, Garden City, KS 67846

Name/Company: _____ Title: _____

Address: _____ City/State/Zip: _____

Phone: _____ Email: _____



Pre-Approved for to 6.0 (General) Certification Credits!!



Register online at <http://www.shrmswks.com/Registration.asp>

**CONSIDERATION OF
APPROPRIATION ORDINANCE**

Ordinances & Resolutions



MEMORANDUM

DATE: July 29, 2015
TO: Mayor & City Commission
FROM: Melinda Hitz, Finance Director
RE: Ordinance Levying Retailers' Sales Tax of 0.50% within the City of Garden City

CITY COMMISSION

JANET A. DOLL,
Mayor

ROY CESSNA

MELVIN L. DALE

DAN FANKHAUSER

J. CHRISTOPHER LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

Issue: Governing Body consideration and approval of an ordinance authorizing the extension of the 0.50% sales tax that was approved by the electors on April 2, 2013.

Background: After the election an ordinance needs to be passed by the Governing Body and published in the Garden City Telegram before it is sent to the Kansas Department of Revenue, Director of Taxation to place this sales tax on the City's tax roll.

Alternatives: None.

Recommendation: Governing Body to approve the ordinance and direct staff to publish in the Garden City Telegram and forward to the Kansas Department of Revenue, Director of Taxation.

Fiscal Impact: None.

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(Published in the *Garden City Telegram* on August __, 2015)

ORDINANCE NO. ____-2015

AN ORDINANCE LEVYING A CITY RETAILERS' SALES TAX IN THE AMOUNT OF 0.50% WITHIN THE CITY OF GARDEN CITY, KANSAS

WHEREAS, at an election held on April 2, 2013, a majority of the electors of the City of Garden City, Kansas (the "City") approved the levy of a retailers' sales tax in the City in the amount of 0.50% for a period of 10 years with revenues from the tax to be used to stabilize the City's ad valorem property tax levy and finance construction and maintenance of transportation improvements.

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

SECTION 1. A retailers' sales tax in the amount of 0.50% is levied in the City according to K.S.A. 12-187 *et seq.* The retailers' sales tax shall take effect on October 1, 2015, or on the earliest date thereafter that the Kansas Department of Revenue can begin collecting such retailers' sales tax, and shall expire on the date 10 years after it is first levied, unless repealed earlier by an ordinance of the City.

SECTION 2. Except as may otherwise be provided by law, such tax shall be identical in its application and exemptions to the Kansas Retailers' Sales Tax Act and all laws and administrative rules and regulations of the Kansas Department of Revenue relating to the state retailers' sales tax shall apply to such city retailers' sales tax insofar as such laws and regulations may be made applicable. The services of the Department of Revenue shall be utilized to administer, enforce and collect such tax.

SECTION 3. This ordinance shall be published once in the official newspaper, and a copy duly certified, shall be submitted to the Kansas Department of Revenue, Director of Taxation along with a copy of the canvas of election conducted by the Finney County Board of County Commissioners and a copy of the ordinance of the City calling an election on the question of levying the tax.

[Remainder of page intentionally left blank]

PASSED and APPROVED by the Governing Body of the City of Garden City, Kansas on August 4, 2015.

Janet Doll, Mayor

ATTEST: (SEAL)

Celyn N. Hurtado, City Clerk

Old Business

MEMORANDUM

TO: GOVERNING BODY

FROM: Steve Cottrell

DATE: 28 July 2015

RE: CENTRAL FIRE STATION ADDITION

ISSUE

The Governing Body is asked to consider authorizing the use of temporary financing for the Central Fire Station Addition to allow construction to begin this fall.

BACKGROUND

At the July 21st pre-meeting, Gibson, Mancini, Carmichael and Nelson, PA, (GMCN) gave the Governing Body a progress update on the Central Fire Station Addition design. Staff also discussed the relocation of a 20" watermain that is needed to accommodate the new addition.

In response to questions from the Governing Body about how we might proceed with construction, staff suggested the use of temporary financing, which would delay issuing GO bonds until the project was complete and actual costs finalized. GMCN indicated that plans could be completed and ready to advertise for bids in the next two months. By authorizing construction yet this year with temporary financing, GMCN and Staff will proceed with plan completion so that we can get the projects under contract and allow contractors to secure materials and equipment before any price increases going into 2016.

ALTERNATIVES

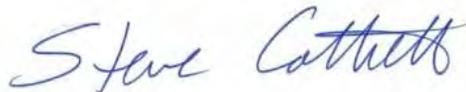
- 1) The Governing Body may authorize staff to begin preparation of the necessary documents for temporary financing.
- 2) The Governing Body may deny approval, and provide further directions for staff.

RECOMMENDATION

Staff recommends Governing Body.

FISCAL

Depending upon when permanent GO bonds are issued to retire the temporary financing, the first Bond payment would likely not occur until 2017.



Engineering Department

Steven F. Cottrell, P.E.,
City Engineer

C.W. Harper, P.E.
Assistant City Engineer

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MEMORANDUM

TO: GOVERNING BODY

FROM: Steve Cottrell

DATE: 28 July 2015

RE: 2015 CAPITAL IMPROVEMENTS – BOND ISSUE

ISSUE

With the completion of the midyear review of the 2015 budget and the adoption of 2016 Budget, the Governing Body is asked to consider and approve the 2015 General Obligation Bond issue, and if approved, adopt a Resolution setting the Bond sale for September 1, 2015 at 11:00 a.m.

BACKGROUND

Beginning at your retreat on February 23rd, the Governing Body briefly discussed the Capital Improvements Program and the potential projects that will require debt financing. As you worked through the 2016 budget process, the Governing Body also reviewed the 2015 projects that would require debt financing.

The current General Obligation Bond Debt schedule is provided. As shown, we had an increase of \$269,538 (1.497 mills) in debt service from 2015 to 2016. In 2016 we will have a reduction in debt service of \$85,371(0.474 mills); this would service approximately \$683,000 in new debt at no increase to the 2016 Bond and Interest mill levy.

We have only one 2015 project needing to be bonded, the Kansas Avenue FY 2014/15/16 combined KLINK Project, with an estimated City share of \$515,000, which includes issuance costs.

In addition, we have the Schulman Crossing Phase II TIF project ready for permanent financing. We must retire the \$9,340,000 in temporary notes by September 1, 2015.

Bond Counsel Mary Carson has prepared a Resolution setting the Bond sale for 11:00 am on September 1st.

Financial Advisor Chuck Bouly presents a Fiduciary Engagement Agreement for Governing Body consideration and approval. This is a routine agreement for professional services related to the bond issue.

ALTERNATIVES

- 1) Authorize the proposed 2015 bond sale, adopt the Resolution setting the sale date and approve the Fiduciary Engagement Agreement.
- 2) Defer action to a later date.



Engineering Department

Steven F. Cottrell, P.E.,
City Engineer

C.W. Harper, P.E.
Assistant City Engineer

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RECOMMENDATION

Staff recommends that the Governing Body 1) authorize the bond issue as presented, 2) adopt the Resolution setting the sale date and 3) approve the Fiduciary Engagement Agreement.

FISCAL

The proposed General Obligation Bond Debt ~ 2015 Bond is attached.

Steve Cottrell

**Engineering
Department**

Steven F. Cottrell, P.E.,
City Engineer

C.W. Harper, P.E.
Assistant City Engineer

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GENERAL OBLIGATION BOND DEBT SERVICE

| EXISTING DEBT | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------------------|
| 2004 | \$614,000 | | | | | | | | | | | |
| 2005 | \$1,385,000 | 171,270 | | | | | | | | | | |
| 2006 | \$1,370,000 | 172,758 | 171,517 | | | | | | | | | |
| 2007 | \$1,755,300 | 217,248 | 220,228 | 222,847 | | | | | | | | |
| 2008 | \$3,072,000 | 379,643 | 388,918 | 392,017 | 394,060 | | | | | | | |
| 2009 | \$2,173,700 | 261,215 | 265,590 | 269,128 | 271,778 | 273,745 | | | | | | |
| 2010 A | \$1,125,000 | 135,653 | 139,063 | 140,508 | 143,023 | 145,159 | 145,597 | | | | | |
| 2011 | \$2,360,000 | 289,950 | 291,050 | 297,605 | 298,205 | 193,025 | 199,245 | 199,875 | | | | |
| 2012 | \$925,000 | 100,565 | 98,865 | 102,165 | 110,365 | 108,365 | 106,365 | 104,365 | 112,365 | | | |
| 2013 | \$1,670,412 | 147,468 | 148,503 | 148,728 | 149,658 | 150,528 | 150,243 | 150,618 | 150,133 | 150,302 | 133,600 | 125,000 Ends 2028 |
| 2013 B | \$612,000 | 71,690 | 70,590 | 74,390 | 73,190 | 71,690 | 74,890 | 72,745 | 75,600 | 77,800 | | |
| 2014 A | \$3,655,000 TIFF - AT LARGE | 205,594 | 272,063 | 272,000 | 271,750 | 271,313 | 270,688 | 274,875 | 273,688 | 272,313 | 270,750 | 268,000 Ends 2034 |
| 2014 B | \$1,184,600 | 127,054 | 128,350 | 131,250 | 134,050 | 131,750 | 134,450 | 137,050 | 139,550 | 136,625 | 138,375 | 0 |
| TOTALS (1/1/2015) | | 2,280,108 | 2,194,737 | 2,050,638 | 1,846,079 | 1,345,575 | 1,081,478 | 939,528 | 751,336 | 637,040 | 542,725 | 393,000 |
| Difference from prior year | | 269,538 | -85,371 | -144,099 | -204,559 | -500,504 | -264,097 | -141,950 | -188,192 | -114,296 | -208,611 | -244,040 |
| PROPOSED 2015 GO BOND - KANSAS AVENUE KLINK PROJECT | | | | | | | | | | | | |
| 2015 | \$ 515,000 | - | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 | 60,562 |
| TOTALS (1/1/2016) | | 2,280,108 | 2,255,299 | 2,111,200 | 1,906,641 | 1,406,137 | 1,142,040 | 1,000,090 | 811,898 | 697,602 | 603,287 | 453,562 |
| Difference from prior year | | 269,538 | -24,809 | -144,099 | -204,559 | -500,504 | -264,097 | -141,950 | -188,192 | -114,296 | -208,611 | -244,040 |



**City of Garden City, Kansas
General Obligation Bonds, Series 2015**

| August 2015 | | | | | | | September 2015 | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| S | M | T | W | T | F | S | S | M | T | W | T | F | S |
| | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | | | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>13</u> | <u>14</u> | <u>15</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>11</u> | <u>12</u> |
| <u>16</u> | <u>17</u> | <u>18</u> | <u>19</u> | <u>20</u> | <u>21</u> | <u>22</u> | <u>13</u> | <u>14</u> | <u>15</u> | <u>16</u> | <u>17</u> | <u>18</u> | <u>19</u> |
| <u>23</u> | <u>24</u> | <u>25</u> | <u>26</u> | <u>27</u> | <u>28</u> | <u>29</u> | <u>20</u> | <u>21</u> | <u>22</u> | <u>23</u> | <u>24</u> | <u>25</u> | <u>26</u> |
| <u>30</u> | <u>31</u> | | | | | | <u>27</u> | <u>28</u> | <u>29</u> | <u>30</u> | | | |

SCHEDULE OF EVENTS
(As of July 27, 2015)

| Dates | Event |
|-------------------------|---|
| 2015 | |
| Friday, July 31 | <ul style="list-style-type: none"> Circulate draft of Preliminary Official Statement for comments |
| Tuesday, August 4 | <ul style="list-style-type: none"> City Commission approves final project costs, adopts Resolution setting Bond Sale date of September 1, 2015 and approves Preliminary Official Statement |
| Thursday, August 6 | <ul style="list-style-type: none"> Ship rating package to rating agency Mail Call Notice regarding retirement of Notes |
| Tuesday, August 11 | <ul style="list-style-type: none"> Rating telephone interview |
| Wednesday, August 12 | <ul style="list-style-type: none"> Send Notice of Bond Sale to <i>Kansas Register</i> and <i>Garden City Telegram</i> |
| Monday, August 17 | <ul style="list-style-type: none"> Receive Bond Rating |
| Thursday, August 20 | <ul style="list-style-type: none"> Publish Notice of Bond Sale in the <i>Kansas Register</i> and <i>Garden City Telegram</i> Distribute Preliminary Official Statement and Notice of Bond sale to potential bidders |
| Tuesday, September 1 | <ul style="list-style-type: none"> Bond Sale – City Commission takes action on low bid, Bond Resolution and Ordinance |
| Friday, September 4 | <ul style="list-style-type: none"> Publish Bond Ordinance Mail Final Official Statement |
| Monday, September 14 | <ul style="list-style-type: none"> Transcript to Kansas Attorney General’s Office for Approval Bonds to Kansas State Treasurer |
| Monday, September 21 | <ul style="list-style-type: none"> Bonds Shipped to Depository Trust Company (DTC) |
| Thursday, September 24 | <ul style="list-style-type: none"> Bond Closing |
| Wednesday, September 30 | <ul style="list-style-type: none"> Wire funds to State Treasurer to retire Temporary Notes October 1 |

RESOLUTION NO. ____-2015

A RESOLUTION OF THE CITY OF GARDEN CITY, KANSAS, AUTHORIZING PUBLIC SALE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2015, IN AN ESTIMATED PRINCIPAL AMOUNT OF \$9,940,000.00; SETTING FORTH THE DETAILS OF THE PUBLIC SALE; AND PROVIDING FOR GIVING OF NOTICE THEREOF.

WHEREAS, the governing body of the City of Garden City, Kansas (the "City") has authorized certain improvements in the City and has authorized the issuance of general obligation bonds to pay the costs of all or a part of the costs of the improvements; and

WHEREAS, it is necessary to authorize and provide for the public sale of general obligation bonds of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GARDEN CITY, KANSAS:

SECTION 1. Authorization of Public Sale. The City's General Obligation Tax Increment and Improvement Bonds, Series 2015, in the estimated principal amount of \$9,940,000 (the "Bonds"), are authorized to be offered at a competitive public sale on Tuesday, September 1, 2015 at 11:00 A.M. Central Time, or on another date approved by the Mayor that is also the date of a city commission meeting. The City Clerk is authorized and directed to receive bids for the Bonds on behalf of the City and to deliver the bids received to the governing body at its meeting to be held at 1:00 P.M. on the sale date, where the governing body will consider and take action on the bids received.

SECTION 2. Authorization of Summary Notice of Bond Sale and Publication. Triplett, Woolf & Garretson, LLC, Wichita, Kansas, the City's Bond Counsel ("Bond Counsel") is authorized to prepare a Summary Notice of Bond Sale on behalf of the City and Bond Counsel and the City Clerk are authorized to arrange for publication of the Summary Notice of Bond Sale as required by law, at least six (6) days before the date of the public sale, in a newspaper of general circulation in Finney County, Kansas and in *The Kansas Register*, the official newspaper of the State of Kansas.

SECTION 3. Authorization of Official Notice of Bond Sale, Official Bid Form and Preliminary Official Statement. Bond Counsel is authorized and directed to prepare an Official Notice of Bond Sale and Official Bid Form for the sale of the Bonds in cooperation with the City Clerk and George K. Baum & Company, Wichita, Kansas, the City's Financial Advisor ("Financial Advisor"). The Financial Advisor is authorized and directed to prepare the Preliminary Official Statement for the Bonds, in cooperation with the City Clerk and Bond Counsel, and the Mayor and the City Clerk are authorized to execute the Preliminary Official

Statement. The Preliminary Official Statement, Official Notice of Bond Sale and Bid Form are authorized to be distributed (in their entirety) to prospective purchasers of the Bonds before the sale date.

SECTION 4. SEC Rule Compliance. To permit the purchaser of the Bonds to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “SEC Rule”) the Mayor, City Clerk or the City Manager are authorized, if requested to do so, to certify to the purchaser of the Bonds that the City deems the information in the Preliminary Official Statement “final” as of its date except for the omission of information as permitted by the SEC Rule and to take such other actions as such City officers find necessary to permit the purchaser of the Bonds to comply with the SEC Rule. The City further agrees that, on or before the date the Bonds are delivered, it will enter into a written undertaking to provide continuing disclosure about the City while the Bonds remain outstanding, if required by the applicable sections of the SEC Rule.

SECTION 5. Authorization of Additional Actions as Required. The Mayor, the City Clerk, Bond Counsel and the Financial Advisor are authorized and directed to take all such other actions as are necessary to complete the public sale of the Bonds.

SECTION 6. Effective Date. This Resolution shall be in force and take effect from and after its adoption and approval.

[Remainder of Page Intentionally Left Blank]

ADOPTED AND APPROVED by the governing body of the City of Garden City, Kansas, on August 4, 2015.

CITY OF GARDEN CITY, KANSAS

[Seal]

Janet Doll, Mayor

ATTEST:

Celyn N. Hurtado, City Clerk



FIDUCIARY ENGAGEMENT LETTER

THIS AGREEMENT ("Agreement") is made this 4th day of August 2015 between the **CITY OF GARDEN CITY, KANSAS**, ("Issuer"), and **GEORGE K. BAUM & COMPANY**, Wichita, Kansas ("Provider").

PURPOSE: The Issuer has identified a capital project, Schulman Crossing, Phase II and Major Trafficway Improvements, herein after referred to as the "Project," which will result in the issuance of bonds, notes, refunding bonds and the use of other financial instruments. The Issuer deems it in its best interest to engage and retain the Provider, a qualified investment banking firm, to provide advisory services including the preparation of supporting data, bond market information, assistance in obtaining bond ratings, and assistance in investor negotiations.

CONSIDERATION: Consideration for this Agreement includes the services, compensation, and mutual exchange of promises of the parties specified herein.

SPECIFIC PROVISIONS

The provisions of the above "Purpose" section shall be material and binding to this Agreement.

1. **Provider's Obligations.** The Provider shall provide the Issuer with advisory services for the analysis of the cost and benefits relative to financing the Project by:
 - A. Working with the Issuer, and others as directed by the Issuer. concerning the legal and financial issues associated with its outstanding debt;
 - B. Attending all meetings and make itself available to the Issuer, and its other agents, for consultation and conference at times and places mutually agreed upon throughout the Project;
 - C. Assisting the Issuer in the preparation, coordination and distribution of printed matter, including circulars, press releases, special mailings, etc., in order to acquaint the Issuer's population with the benefits and financial considerations of the Project;
 - D. Prepare financial information and schedules necessary to acquaint the Issuer with the benefits of the various forms of debt financing for the Project;
 - E. Assist in the preparation of a credit presentation for bond rating agencies and bond insurance companies, if any;
 - F. Assist in the collection and preparation of the documents necessary to accomplish the transaction including any related contracts and agreements or documents related to offering securities either for purchase or sale, all of which shall be appropriately executed and satisfactory to the Issuer;

- G. Arrange for closing and delivery of the Project bonds;
 - H. It is expressly understood and agreed that this Agreement does not intend, and is not under any circumstances to be construed as requiring the Provider to perform services which may constitute the practice of law. The Provider is employed in an expert financial capacity only;
 - I. It is expressly understood and agreed that, under this Agreement, the Provider is acting as an advisor or fiduciary to the Issuer. The Provider retains the right to be engaged by the Issuer on other transactions in a capacity other than as an advisor.
 - J. It is expressly understood and agreed that the Provider will not limit its work to the steps outlined, but will extend its services as necessary to insure that the Project is brought to a successful conclusion on behalf of the Issuer in a professional and satisfactory manner.
2. **Issuer's Obligations.** The Issuer's obligations shall include the following:
- A. Retain the Provider as its advisor;
 - B. Cooperate with the Provider in the proper development of the Project and provide all pertinent information needed to support the desired transaction on behalf of the Issuer;
 - C. Employ a nationally recognized firm of bond attorneys and utilize the services of the Issuer's attorney;
 - D. Pay for all costs of legal advice, printed matter, advertising, bond ratings, bond insurance premium, required audits and other professional services;
 - E. Pay the Provider an advisory fee calculated to be \$3.50 per \$1,000 principal amount of bonds issued, at the time of the completion of each transaction.
3. **Term.** The term of this Agreement shall commence on August 4, 2015, and shall expire on the earlier of either December 31, 2015, or the completion of the financing of the Project.
4. **Termination.** Either party shall have the right to terminate this Agreement in full for any reason with at least ninety (90) days prior written notice to the other party. In addition, the Issuer shall provide written notice to the Provider of any violation or default of the terms of this Agreement and the Provider shall have thirty (30) days to cure such default. If the Provider is not able to cure the default to the Issuer's satisfaction by the end of such cure period, the Issuer thereafter shall have the right to immediately terminate this Agreement. At the termination of this Agreement, in any such manner, the Issuer shall pay the Provider such compensation earned to the date of such termination, which payment shall be in full satisfaction of all claims against the Issuer under this Agreement.

5. **Execution.** This Agreement may be executed in multiple counterparts and together such counterparts will be deemed an original.

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

AGREED TO AND ACCEPTED:

GEORGE K. BAUM & COMPANY

THE CITY OF GARDEN CITY, KANSAS

By: _____

By: _____

Title: Senior Vice President

Title: Mayor

ATTEST

Title: City Clerk

New Business



MEMORANDUM

TO: City Commission
FROM: Staff
DATE: July 31, 2015
RE: Consideration of a Development Agreement and Lease with Option to Purchase with Meadowlark Dairy Nutrition, LLC

CITY COMMISSION

JANET DOLL,

Mayor

ROY CESSNA

MELVIN L. DALE

DAN FANKHAUSER

J. CHRISTOPHER LAW

MATTHEW C. ALLEN
City Manager

MELINDA A. HITZ, CPA
Finance Director

RANDALL D. GRISELL
City Counselor

CITY ADMINISTRATIVE
CENTER
301 N. 8TH
P.O. Box 998
GARDEN CITY, KS
67846-0998
620.276.1160
FAX 620.276.1169
www.garden-city.org

Issue

The City Commission is asked to consider and approve a development agreement and a lease with option to purchase with Meadowlark Dairy Nutrition, LLC for the development of a USDA dairy dryer process plant and related facilities.

Background

Finney County Economic Development Corporation (FCEDC) and the City of Garden City began working with this manufacturing prospect and their site selection consulting firm in April 2014. This same manufacturer had been a prospect in 2011. According to information provided by the prospect to FCEDC for the purposes of considering local terms and incentives, the project has a total investment of \$235,000,000, creates 55 jobs with an average annual salary of \$61,000.

In April 2015, FCEDC and the City development team provided the prospect a conditional offer of local and State terms and incentives for final review and, if approved, around which a development agreement with the City of Garden City could be prepared for formal consideration and approval by the City Commission and the prospect. The prospect approved of the terms and asked the City staff and legal counsel to work with the prospect's legal team to prepare a development agreement accordingly.

The attached draft Development Agreement contains the following notable terms and incentives, which require City Commission approval:

- A 10-year lease of a City-owned 156.1 acre tract of land west of the Jameson Energy Center with an option to purchase within years 1-5 for \$1,000,000, or years 6-10 for \$1,263,700. Annual revenue from the lease is \$15,000.
- The following City Utility service rates for the first 10 years of operation:
 - Electric
 - A monthly base charge of \$200.00.
 - A demand charge of \$10.00 per kW.
 - An "on peak" energy rate of \$0.057 per kWh
 - An "off peak" energy rate of \$0.0315 per kWh.
 - Water
 - Base charge of \$145 per month.
 - A water service rate of \$1.86 per 1,000 gallons.
- A wastewater treatment solution which provides for the City pre-purchasing for \$2,500,000 the treated "Treated Wastewater Effluent" generated by the plant in its first 20 years of operation, which the City will use to offset treated municipal water being used for certain eligible, non-potable water uses.



CITY COMMISSION

JANET DOLL,

Mayor

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MELVIN L. DALE

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- The City will design and build improved access from US-83 to the site, which will also serve as the primary entrance to the Jameson Energy Center and the City Wastewater Treatment Plant. The Kansas Department of Transportation has made a preliminary offer to assist with the necessary improvements through their Economic Development Program.
- The draft Development Agreement requires the City's approval of this project being eligible for Industrial Revenue Bonds, which will trigger a partial tax abatement request and approval process to be considered by the Finney County Commission. Per City and County tax abatement policy, a cost benefit analysis has been conducted and reviewed by FCEDC and representatives from all four taxing entities. A 70% real property tax abatement will be recommended from that review team, and is what is represented in this draft Development Agreement.

Additional incentives have been offered by the State of Kansas and several agencies have assisted Finney County Economic Development at various points in the recruitment process by providing assistance in the incentive offer through State development programs and from a regulatory perspective to mature this prospect to the point it is today.

Alternatives

1. Approve the Development Agreement and Lease.
2. Deny the Development Agreement and Lease.

Recommendation

The City's development team, working in partnership with the Finney County Economic Development Corporation, recommends approval.

Fiscal Note

Revenue from the lease and/or sale of the land is described above. \$15,000 per year lease. \$1,000,000 - \$1,263,700 sale price option, depending on which year it is exercised.

10-year value of the Electric Utility incentive in the form of reduced rates is estimated to be \$9,602,120. We project that over this period the City Electric Utility will realize an estimated net gain of \$1,820,000.

10-year value of the water utility incentive, as an incentive, is undetermined. These are the published rates. The incentive to the new customer is in guaranteeing the rate for the first 10 years of operation. We project that over this period the City Water Utility will realize an estimated net gain of \$1,697,250.

10-year value of the "Treated Wastewater Effluent" solution to the customer is \$2,500,000 in the City's purchase of "Treated Wastewater Effluent," plus \$7,300,000 in the 10-year value of avoided wastewater treatment costs. This is in addition to the value of avoiding expenses associated with operations and regulatory compliance that are required by a direct discharge or lagoon industrial wastewater system. The City will



CITY COMMISSION

JANET DOLL,
Mayor

ROY CESSNA

MELVIN L. DALE

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either create a new division of the Water/Wastewater Fund or create a separate Water Reuse Utility. We will begin working to identify potential customers, but will first focus on using this supply to offset eligible “free water” use by municipal departments and eligible uses by other public agencies. This aspect of the project can be financed with a utility revenue bond. The City has also begun researching potential grant resources.

The highway/primary access improvements are currently estimated at \$1.475 million with construction only at \$1.1M. KDOT has preliminarily offered to assist with the expenses of this improvement; however, the engineering costs would not be eligible. The City can issue a major trafficway bond for those expenses.

The City, County and FCEDC staff has had preliminary discussion concerning the use of a portion of the joint economic development funds. A request will come before the County Commissioners at a later date, once costs are more certain, to assist in the community incentive package described herein.

FLATLAND PROJECT
DEVELOPMENT AGREEMENT

FLATLAND PROJECT DEVELOPMENT AGREEMENT (“Agreement”) made and entered into this _____ day of August, 2015, by and between the City of Garden City, a municipal corporation organized according to Kansas law (the “City”) and Meadowlark Dairy Nutrition, LLC, organized and existing according to Delaware law (the “Developer”). The City and the Developer are hereinafter collectively referred to as the “Parties” and each a “Party.”

RECITALS

A. The Developer, or its affiliates, is entering into a lease with an option to purchase certain real property owned by the City and located on the east side of US-83 between the BNSF Railroad and the Arkansas River in Garden City, Kansas consisting of approximately 156.1 acres of land (the “Project Site”), as legally described on Exhibit A, attached hereto and incorporated by reference.

B. The Developer seeks to construct upon the Project Site a USDA dairy dryer process plant and all related facilities and improvements as further described in this Agreement.

C. The Parties agree that construction of the Project is to their mutual benefit.

D. The City and Developer have worked together to develop a plan to provide for construction and financing certain infrastructure, provision of municipal utility services, and other costs necessary to develop the Project.

E. The Developer presented information necessary and assisted in the preparation of a Development Agreement for the land consistent with the comprehensive plan for development of the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the City and the Developer state, confirm and agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. **Rules of Construction.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement.

A. The terms defined in this Article include the plural as well as the singular.

B. All references in this instrument to designated “Articles,” “Section” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.

C. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

D. The Article and Section headings herein are for convenience only and shall not affect the construction of this Agreement.

E. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section.

Section 1.2. **Definitions of Words and Terms**. Capitalized words used in this Agreement shall have the meanings set forth in the Recitals to this Agreement and the following meanings:

“Affiliate” means any entity in which Dairy Farmers of America, Inc., a Kansas cooperative marketing association, individually or as trustee, directly or indirectly, and individually or in the aggregate owns at least 50%.

“Agreement” means this Flatland Project Development Agreement, as amended from time to time.

“Applicable Law and Requirements” means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ determination, award, permit, license, authorization, directive, requirement or decision of or agreement with or by Governmental Authorities.

“City Event of Default” means an event or occurrence defined in Section 6.3 of this Agreement.

“City Obligations” means bonds, notes, or other obligations of the City issued to finance all or part of the City Work.

“City Representative” means the Mayor or City Manager of the City, and such other person or persons at the time designated to act on behalf of the City in matters relating to this Agreement.

“City Work” means the City’s agreement to construct certain infrastructure necessary for the Project as described in in Section 2.1 and to the representations and agreements of the City set forth in Section 7.1 with respect to development of the Project.

“Commercial Operation Date” means the date on which the Project has completed all required performance tests, is built to the specifications outlined in the engineering and construction contracts and begins commercial operations. The Parties anticipate the “Commercial Operation Date” for the Project will be May 31, 2017.

“Developer Event of Default” means an event or occurrence defined in Section 6.1 of this Agreement.

“Developer Representative” means _____ or such other person or persons designated to act on behalf of the Developer in matters relating to this Agreement as evidenced by a written certificate furnished to the City containing the specimen signature of such person or persons and signed on behalf of the Developer.

“Developer Work” refers to the work to be performed by the Developer to construct the Project as described in Section 2.1 and to the representations and agreements of the Developer set forth in Section 7.1 with respect to development of the Project.

“Excusable Delay” means any delay or interruption in the performance of obligations under this Development Agreement which is beyond the reasonable control and without the fault of the Party affected and which the affected Party may not overcome despite good faith efforts and diligence, caused by damage or destruction by fire or other casualty, strike, war, terrorism, riot, sabotage, act of public enemies, alien invasion, epidemics, default of another party, freight embargoes, shortage of materials, unavailability of labor, a change in law, environmental remediation required by the appropriate Governmental Authorities (other than, with respect to the obligations of the City hereunder, the City), discovery of cultural, archeological or paleontological resources or endangered species, any lawsuit seeking to restrain, enjoin, challenge or delay construction, failure of a contractor, subcontractor or supplier to furnish labor, services, materials or equipment in accordance with its contractual obligations, acts of God, including earthquake, adverse weather conditions such as, by way of illustration and not limitation, severe rain, snow or ice storms or below freezing temperatures of abnormal degree or abnormal duration, freezing temperatures that prevent the prudent installation of concrete or similar materials, tornadoes, floods, or other causes beyond the reasonable control or fault of the affected Party, which shall include but not be limited to any pending litigation interfering with or delaying construction or performance of the City Work, Developer Work and any pending or threatened litigation interfering with or delaying issuance of City Obligations to pay costs of City Work, which in fact prevents the Party so affected from discharging its respective obligations hereunder. The Parties agree the definition of Excusable Delay does not include the lawsuit captioned *Wheatland Electric Cooperative, Inc. vs. The City of Garden City, Kansas*, Case No. 15CV112, in the District Court of Finney County, Kansas.

“Governmental Approvals” means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, architectural review, environmental regulatory or public health regulatory approvals or permits, or other subdivision, zoning or similar approvals required for the implementation of the Project and consistent with Applicable Law and Authorities and this Agreement.

“Governmental Authorities” means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any type of any governmental unit (federal, state or local) whether now or hereafter in existence.

“Permitted Subsequent Approvals” means the building permits and other governmental approvals customarily obtained prior to construction which have not been obtained on the date that this Agreement is executed, which the City or other governmental entity has not yet determined to grant.

“Project” means the Project Site and the building and structural improvements described in Section 2.1 of this Agreement.

“Project Site” means the area within the platted lot to be developed pursuant to this Agreement and is legally described on Exhibit A and shown on the preliminary site concept plan on Exhibit B.

“State” means the state of Kansas.

ARTICLE II
PURPOSE OF AGREEMENT
REPRESENTATIONS AND ACQUISITION OF PROJECT SITE

Section 2.1 **Purpose of Agreement**. The City and Developer hereby acknowledge that the Project is of significant importance to the City’s economic development goals and to Developer’s economic and business goals.

This Agreement is entered into for the purpose of redeveloping the Project Site as described herein. The Project Site is approximately 156.1 acres as legally described in Exhibit A and shown on the preliminary site plan attached as Exhibit B to this Agreement and located on the east side of US-83 between the BNSF Railroad and the Arkansas River, Garden City, Kansas. The Developer agrees to perform the Developer Work as defined in this Agreement and particularly as follows:

- The construction by the Developer within the Project Site of a new 321,000+/- square foot USDA dairy dryer process plant including: milk receiving and cream load-out; raw milk processing; pasteurized processing; milk evaporation; milk drying; filling and packaging; dry warehousing; shipping; support and utility spaces; sanitation corridors; office space; employee wellness areas. The construction also includes: site work; a waste water treatment facility; a remote access point with card reader at the truck entrance gate and other related work as identified in drawings from time to time, a concrete foundation and auger-cast pile system designed to take loads from the structure and roof loads and to resist wind and seismic loads. Other improvements include, but are not limited to, grading, site work, access road construction, landscaping and lighting, parking lots, storm drainage, sanitary sewers, onsite water lines, and utilities.

The City agrees to perform the City Work as defined in this Agreement and particularly as follows:

- The City will perform and acquire financing for necessary improvements to the intersection of US-83 and the access road to the Project, as required by the Kansas Department of Transportation and further described on Exhibit E to this Agreement and in Section 7.1 of this Agreement.

Section 2.2 **Representations of City**. The City makes the following representations and warranties which to the best of the City's actual knowledge, are true and correct on the date hereof:

A. *Due Authority*. The City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, subject to the limitations expressed herein or otherwise imposed by law, and this Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions.

B. *No Conflicts*. Neither the execution and delivery of this Agreement, nor the consummation of any of the transactions herein contemplated, nor compliance with the terms and provisions hereof, nor the development, construction or operation of the Project, will contravene the ordinances, rules, regulations of the City or the laws of the State of Kansas nor result in a breach, conflict with or be inconsistent with any term, covenants, conditions or provisions of any indenture, agreement or other instrument by which the City is bound or to which the City is subject.

C. *No Consents*. Other than approval by the City's governing body, no consent, authorization, approval order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the due execution and delivery by the City of this Agreement. Except as otherwise described in this Agreement, including particularly but not limited to, Section 3.3, Section 4.1, Section 7.1 K 2, and Section 7.2, no consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the performance by the City of this Agreement or the consummation of the transactions contemplated hereby.

D. *Valid and Binding Obligation*. This Agreement is the legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

E. *No Defaults or Violation of Law*. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which the City is now a party, and do not and will not constitute a default under any of the foregoing.

F. *No Default*. No default or City Event of Default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice or both, would constitute a default or an event of default in any material respect on the part of the City under this Agreement.

Section 2.3. **Representations of the Developer**. The Developer makes the following representations and warranties, which to the best of the Developer's actual knowledge, are true and correct on the date hereof:

A. *Due Authority*. The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute

and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings.

B. *Governmental or Corporate Consents.* Apart from agreements, Permitted Subsequent Approvals, and consents obtained in connection with the Project, no other consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution, delivery and performance by the Developer of this Agreement.

C. *Valid and Binding Obligation.* This Agreement is the legal, valid and binding obligation of the Developer enforceable against the Developer according to its terms.

D. *Approvals.* The Developer has received and is in good standing with respect to all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties as now owned or leased by it. Except for Permitted Subsequent Approvals, the Developer has obtained all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to acquire, construct, equip, operate and maintain the Project. The Developer reasonably believes that all such certificates, licenses, consents, permits, authorizations or approvals which have not yet been obtained will be obtained in due course.

E. *Compliance with Laws.* To its actual knowledge, the Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Agreement.

F. *Other Disclosures.* The information furnished to the City by the Developer in connection with the matters covered in this Agreement is true and correct and does not contain any untrue statement of any material fact and does not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

G. *No Conflicts or Defaults.* The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which the Developer is now a party, and do not and will not constitute a default under any of the foregoing. No default or Developer Event of Default has occurred and is continuing which with the lapse of time or the giving of notice or both, would constitute a default or Event of Default in any material respect on the part of the Developer under this Agreement.

ARTICLE III
CONSTRUCTION AND FINANCING
OF PROJECT COSTS

Section 3.1. **Developer Work.** The Developer agrees to perform the Developer Work described particularly in Section 2.1 and Section 7.1 in accordance with this Agreement. The Developer Work shall be performed and constructed by the Developer and any public improvements constructed as part of the Developer Work to be conveyed to the City shall be so conveyed upon completion and acceptance by the City of such public improvements. Developer agrees that the Developer Work will be performed and completed according to any plans approved by the City therefore. Subject to Excusable Delays, the Developer agrees the Developer Work will be performed according to specifications and timetable set forth in the Project Schedule attached as Exhibit C.

Section 3.2. **City Work.** Subject to Excusable Delays, the City agrees to complete the City Work described particularly in Section 2.1 and Section 7.1 in accordance with this Agreement in advance of or concurrently with Developer's completion of the Project and the Commercial Operation Date and as shown on the timetable set forth in the Project Schedule attached as Exhibit C.

The City will invite Developer to participate in regularly scheduled or special meetings relating to construction or other performance of City Work. Developer shall have the right to remove City from construction management responsibility and assume control of the construction of the City Work described in Section 7.1 paragraph L, Exhibit E ("City Access Improvements"), in the event the City Access Improvements are not performed according to the Project Schedule, or in Developer's reasonable opinion will not be performed, as a result of City's failure to diligently commence and complete the City Access Improvements which is not caused by an Excusable Delay. The Parties agree the Project Schedule shall be amended to allow additional time to complete work delayed or prevented by an Excusable Delay. Subject to the preceding sentence, time is of the essence of every part of this Development Agreement. Upon Developer's assumption and control of the City Access Improvements, Developer agrees to proceed to complete the City Access Improvements with all reasonable dispatch according to the City approved plans for such work. Before exercising this self-help remedy and assuming control of the City Access Improvements, Developer shall provide to City notice of its intent to do so ("Intent Notice"), which notice shall include details specifying City's failure to diligently commence or complete the City Access Improvements.

Section 3.3 **City Work Funded by City Obligations, Approvals.** The Parties anticipate the City will issue City Obligations, the proceeds of which, less the costs of issuing the City Obligations, will be applied to pay costs of the performance of portions of the City Work described in Section 2.1 and Section 7.1. The issuance of City Obligations is subject to market conditions, approvals by the City's governing body and by state agencies as required by applicable laws of the State, including approval of the Kansas Attorney General pursuant to K.S.A. 10-108. The City Obligations are also subject to the approving opinion of the City's bond counsel on matters of legality and the exemption of interest thereon from gross income for income tax purposes under State and federal law. The Parties acknowledge the City's ability to issue City

Obligations for the purposes described herein may be affected by a change in applicable State or federal law.

ARTICLE IV
GENERAL COVENANTS

Section 4.1. **Operation of Project.** The Project shall be constructed and operated in compliance with all Applicable Laws and Requirements. The Developer shall secure or cause to be secured any and all permits which may be required by the City and any other governmental agency having jurisdiction for the construction and operation of the Developer Work, including but not limited to, obtaining all necessary rental licenses and paying any necessary fees to obtain required permits and licenses, which shall be Project Costs.

Section 4.2. **Taxes, Assessments, Encumbrances and Liens.** For that portion of the Project owned by the Developer or any Affiliate, the Developer shall pay or cause to be paid when due all real estate taxes and assessments within the Project. The Developer shall be permitted to contest the validity or amounts of any tax, assessment, encumbrance or lien as permitted by laws of the state of Kansas. The Developer shall promptly notify the City in writing of a protest of real estate taxes or valuation of the Project.

Section 4.3. **Indemnification.**

A. The Developer agrees to indemnify and hold the City, its employees, agents and independent contractors and consultants (collectively, the “City Indemnified Parties”) harmless, from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, judgments, costs and/or expenses, including court costs and attorneys’ fees incurred or suffered by or claimed against any of the City Indemnified Parties by any person or entity by reason of injury, death, loss or damage to any person, property, or business which arises or is alleged to have arisen due to the negligence or willful misconduct of the Developer, its employees, agents or independent contractors and consultants in connection with the management, design, development, redevelopment and construction of the Project.

B. City agrees to indemnify and hold harmless the Developer, its employees, agents and independent contractors and consultants (collectively the “Developer Indemnified Parties”) against any loss or expense arising out of any liability imposed by any law, federal or state, upon the Developer Indemnified Parties, if such liability is a consequence of action of the City in the performance of any work related to the Development Agreement. The City’s liability for any claims asserted by a person or entity by reason of injury, death, loss or damage to any person, property or business which arises, or is alleged to have arisen, from the negligence or willful misconduct of the City, its officers, agents or employees in connection with worked performed by the City in relation to the Development Agreement shall be governed by the Kansas Tort Claims Act and other applicable laws of the State.

C. The right to indemnification set forth in this Agreement shall survive the termination of this Agreement.

Section 4.4. **Construction of the Project.** The Developer shall have the sole responsibility to contract for the design and construction of the Developer Work subject to Applicable Laws and Requirements.

Section 4.5. **Evidence of Completion.** Upon substantial completion of a discrete phase of public improvements included in the Developer Work, the Developer shall submit an engineer's certificate to the City, certifying that the same has been completed substantially in conformance with the Development Agreement and the plans approved by the City.

Section 4.6. **Modifications.** Modifications to the Project may require additional review by the City to ensure that the changes are generally consistent with the Development Agreement.

Section 4.7. **Public Bidding Not Required.** Notwithstanding the fact that certain portions of the Developer Work will be deemed public improvements, public bidding for the Project, and any component thereof, will not be required, however, all plans for public improvements shall require approval of City staff and comply with standard City inspection and testing requirements.

ARTICLE V ASSIGNMENT; TRANSFER

Section 5.1. **Restriction on Transfer and Assignments.** The Developer shall not assign or transfer all or any of its rights or duties under this Agreement nor convey any portion of the Project Site prior to completion of the Developer Work (except as described below) without the prior written approval of the City (which will not be unreasonably withheld, conditioned or delayed) except for (i) assignments, transfers and conveyances of all or substantially all of Developer's rights and duties under this Agreement and in and to the Project Site to an Affiliate, (ii) entering into a sale/leaseback where Developer sells the Project to a third party which in turn leases back the Project to Developer or (iii) the Project is financed and a mortgage is placed on the Project.

ARTICLE VI DEFAULTS AND REMEDIES

Section 6.1. **Event of Default**

A. *Developer Event of Default.* A "Developer Event of Default" shall mean a default in the performance of any obligation or breach of any covenant or agreement of the Developer in this Agreement (other than a covenant or agreement; a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after City has delivered to Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such thirty (30) day period, but can reasonably be expected to be fully remedied and the Developer is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the Developer shall immediately

upon receipt of such notice diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch.

B. *City Event of Default.* A “City Event of Default” shall mean a default in the performance of any obligation or breach of any other covenant or agreement of the City in this Agreement (other than a covenant or agreement; a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of thirty (30) days after there has been given to the City by the Developer a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default or breach cannot be fully remedied within such thirty (30) day period, but can reasonably be expected to be fully remedied and the City is diligently attempting to remedy such default or breach, such default or breach shall not constitute an event of default if the City shall immediately upon receipt of such notice diligently attempt to remedy such default or breach and shall thereafter prosecute and complete the same with due diligence and dispatch.

Section 6.2. **Remedies Upon a Developer Event of Default.**

A. Upon the occurrence and continuance of a Developer Event of Default, the City shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

1. The City shall have the right to terminate this Agreement, terminate the Developer’s rights under this Agreement and terminate the City’s obligations under this Agreement.

2. The City may pursue any available remedy at law or in equity by suit; action, mandamus or other proceeding to enforce the duties and obligations of the Developer as set forth in this Agreement; to enforce or preserve any other rights or interests of the City under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the City resulting from such Developer Event of Default.

B. If the City has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the City, then and in every case the City and the Developer shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the City shall continue as though no such proceeding had been instituted.

C. The exercise by the City of any one remedy shall not preclude the exercise by it; at the same or different times, of any other remedies for the same default or breach. No waiver made by the City shall apply to obligations beyond those expressly waived.

D. Any delay by the City in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section shall not operate as a waiver of such rights or limit it in any way. No waiver in fact made by the City of any specific default by the Developer shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

Section 6.3. **Remedies Upon a City Event of Default.**

A. Upon the occurrence and continuance of a City Event of Default the Developer shall have the following rights and remedies, in addition to any other rights and remedies provided under this Agreement or by law:

1. The Developer shall have the right to terminate the Developer's obligations under this Agreement.

2. The Developer may pursue any available remedy at law or in equity by suit; action, mandamus or other proceeding to enforce and compel the performance of the duties and obligations of the City as set forth in this Agreement; to enforce or preserve any other rights or interests of the Developer under this Agreement or otherwise existing at law or in equity and to recover any damages incurred by the Developer resulting from such City Event of Default.

B. If the Developer has instituted any proceeding to enforce any right or remedy under this Agreement by suit or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Developer, then and in every case the Developer and the City shall subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the Developer shall continue as though no such proceeding had been instituted.

C. The exercise by the Developer of any one remedy shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach. No waiver made by the Developer shall apply to obligations beyond those expressly waived.

D. Any delay by the Developer in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this paragraph shall not operate as a waiver of such rights or limit such rights in any way. No waiver in fact made by the Developer of any specific default by the Developer shall be considered or treated as a waiver of the rights with respect to any other defaults, or with respect to the particular default except to the extent specifically waived.

Section 6.4. **Legal Actions.** Any legal actions related to or arising out of this Agreement must be instituted in the District Court of Finney County, Kansas or, if federal jurisdiction exists, in the United States District Court for the District of Kansas sitting in Wichita, Kansas.

ARTICLE VII
GENERAL PROVISIONS

Section 7.1. **Development of Project.**

A. *Scope.* The Project shall be developed within and subject to Applicable Law and Requirements, the preliminary, final development plat, and site plan for the Project and the plat for the Project Site, as any of the forgoing may be amended.

B. *Governmental Approvals.* The Project shall be subject to Governmental Approvals from Governmental Authorities having jurisdiction over the Project.

C. *City Approval of Zoning, Planning, Platting.* The City agrees to consider and act on site plan, zoning, planning and platting applications submitted by the Developer related to the Project expeditiously and in good faith.

D. *City and Other Governmental Permits.* Before beginning construction or development of any buildings, structures or other work or improvement related to the Project, the Developer shall, at its own expense, secure or cause to be secured any and all Governmental Approvals (excepting Permitted Subsequent Approvals) applicable to such construction, development or work. The City will cooperate with, fast track, and provide all assistance to Developer in securing such permits and approvals and expeditiously process, review and consider all such permits and approvals as may be required by law.

E. *Rights of Access.* For the purpose of ensuring compliance with this Agreement, representatives of the City shall have the right of access to the Project Site, without charge or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, for the inspection of the work being performed in constructing, improving, repairing and installing the Project. Representatives of the City shall comply with all applicable safety rules in so doing. Except in case of emergency, before making such access, representatives of the City shall make a good faith effort to check in with the Developer's on-site manager. The City representatives shall carry proper identification, shall insure their own safety and shall not interfere with construction activity, except in the enforcement of Applicable Laws and Requirements.

F. *Local, State and Federal Laws.* The Developer shall carry out the provisions of this Agreement in conformity with all Applicable Laws and Requirements.

G. *Land Options.* The City is the current owner of the Project Site. The City agrees to enter into a Lease with the Option to Purchase with Developer (in substantially the form set forth in Exhibit G attached hereto with any modifications required to permit industrial revenue bond financing for the Project and provide for the ad valorem tax abatement to the Project described in Section 7.2). The Parties agree the following terms shall be incorporated in the Lease with Option to Purchase as follows:

Years 1-5: Annual lease payment paid by Developer to the City of \$15,000.00.
Option to Purchase granted to Developer, which may be exercised at any point

during the first five years following the date of the execution of such Agreement, for a purchase price of \$1,000,000.00.

Years 6-10. Annual lease payment paid by Developer to the City of \$15,000.00. Option to Purchase granted to Developer, which may be exercised at any point during years 6-10 of the terms of the Lease with Option to Purchase for a purchase price of \$1,263,700.00.

H. *City Utilities.* City agrees to provide city operated utilities (electric, water and wastewater service) to the Project for the operational life of the Project, beginning on or before the dates shown on Exhibit C. During the construction period for the Project City utilities will be provided to the Project and billed at the rates shown on Exhibit F. The City agrees to charge rates or pay amounts as set forth in subparagraphs I and J of this Section for electrical and water utility services provided by the City to the Project for a period of 10 years beginning on the Commercial Operation Date and as shown on Exhibit D. The City agrees to charge the rates as set forth in subparagraph K for wastewater utility services provided by the City to the Project for a period of 20 years, beginning on the Commercial Operation Date and as shown on Exhibit D. The City agrees that for electric utility service provided by the City during the construction of the Project and before the Commercial Operation Date, the Developer will be designated a “large general service within corporate limits” under the City’s established electric service rate structure.

The Parties agree that in eighth year after the City begins providing electric and water utility service to the Project at the agreed rates set forth below, the Parties will negotiate new rates and terms of service for electric and water utility service in years 11- 20 according to the schedule shown on Exhibit D. The Parties agree that in the eighteenth year after the City begins providing wastewater services at the agreed rates set forth below the Parties will negotiate new rates and terms of service for wastewater service in years 21-30 according to the schedule shown on Exhibit D. The City agrees that Developer will never pay a rate for water, electrical or wastewater services higher than the adopted rates then in effect and approved by the City at the time of the renegotiations. The City further agrees not to create a separate rate category for City utilities provided to the Project that results in rates charged to the Project that are higher than the adopted rates for the type of service provided to the Project.

I. *Electrical Service.*

1. Electrical Service Rates (Applicable for 10 –year period beginning on Commercial Operation Date):

- a. Base charge of \$200.00 per month.
- b. Demand charge: \$10.00 per kW, maximum demand of 10,000 kW
- c. On Peak 7:01 AM to 9:00 PM energy rate of \$0.057 per Kwh
- d. Off Peak 9:01 PM to 7:00 AM energy rate of \$0.0315

2. Electric System Improvements. In connection with electrical service to the Project, the City also agrees to install redundancy equipment in the City’s electric utility system to automatically transfer the anticipated Project load of 10 MW between substations and install another “feed line” to the outdoor medium voltage switchgear serving the

Project (“Electric Improvements”). The Electric Improvements will be installed on or before the dates shown on Exhibit C and at the City’s expense; provided, the Developer agrees to pay to the City \$142,000 on the date the construction permit is issued for the Project, representing the Developer’s share of costs of the Electric Improvements.

J. *Water Service.*

1. Water Service Rates (Applicable for 10 –year period starting on the Commercial Operation Date):

A. \$1.86 per 1,000 gallons, \$145.00 per month base charge for 10 years.

2. Water System Improvements. In connection with water utility service to the Project, the City also agrees to install offsite water mains to serve the Project (“Water Improvements”). The estimated costs of the Water Improvements is \$258,150 and the Water Improvements will be installed on or before the dates shown on Exhibit C. The Developer agrees to pay to the City \$258,150 on the date the construction permit is issued for the Project, representing the Developer’s share of costs of the offsite Water Improvements. If the actual costs of the completed Water Improvements are greater than the total estimated costs the Developer will pay the City the difference between the estimated costs and the actual costs of the Water Improvements. The Water Improvements described in this paragraph do not include an onsite fire loop, which will be installed on the Project Site at Developer’s expense. During construction of the Project the City will provide temporary water service from the southeast corner of the Jameson Energy Center. Developer will be responsible for delivering such water to locations required for construction of the Project.

K. *Wastewater Service.*

1. Wastewater Service Rates - (Applicable for 20 –year period starting on Commercial Operation Date):

a. *Untreated domestic wastewater effluent from Project.* \$1.86 per 1,000 gallons of flow, plus \$55.00 per month base charge.

2. Wastewater Treatment on Project Site. Developer agrees to construct on the Project Site all necessary wastewater treatment facilities as approved and separately permitted by the Kansas Department of Health and Environment (KDHE) so that operations of the Project will produce non-potable wastewater effluent meeting KDHE standards and discharge permit requirements of the City’s National Pollution Discharge Elimination System (NPDES) permit making it suitable for re-use applications such as irrigation (the “Treated Wastewater Effluent”) and that will not require improvements at the City’s existing Wastewater Treatment Plant. If the City’s NPDES permit requirements change with respect to the Treated Wastewater Effluent, Developer is required, at Developer’s expense, to make necessary modifications to its wastewater treatment

facilities necessary to comply with any changes to the City's NPDES permit. The City will not incur costs of such any required modification or improvements.

3. "Treated Wastewater Effluent" Provisions - General. The Parties agree that the majority of the wastewater discharge from the wastewater treatment facilities constructed by Developer as part of the Project will consist of Treated Wastewater Effluent described in Section 7.1 K 2. The estimated Treated Wastewater Effluent discharge for the Project operating full capacity is 1MGD. The Parties agree this Treated Wastewater Effluent discharge will be delivered to the City at a location chosen by the City and at no cost to the City except as set forth in this Agreement.

4. Treated Wastewater Effluent; Payments by City. The City agrees to make a lump sum payment of \$2,500,000.00 to the Developer on the Commercial Operation Date; provided the Project is producing or reasonably expected to produce Treated Wastewater Effluent discharge as described in Section 7.1 K 3. The Parties agree the one-time payment purchases the City's exclusive right to receive all Treated Wastewater Effluent discharge from the Project for a period of 20-years beginning on the Commercial Operation Date. This payment recognizes a wholesale Treated Wastewater Effluent rate of approximately \$.35/ 1,000 gallons for the 20-year period and assumes the Project is operating at full Project capacity throughout the entire 20 year period. At the end the 20-year period, the City and Developer may negotiate new rates and terms with respect to the delivery of Treated Wastewater Effluent from the Project according to the timetable shown on Exhibit D. If, at the end of the 20-year period the City has not established a market for Treated Wastewater Effluent, the City will have no obligation to continue purchasing such discharge. If the City discontinues purchase of the Treated Wastewater Effluent at such time, it will, subject to Developer's continued compliance with Section 7.1 K 2, continue to accept the Treated Wastewater Effluent discharge from the Project to the City's wastewater treatment plant, at rates to be negotiated at that time.

5. Treated Wastewater Effluent Discharge if Not Reusable by City. The Parties agree that if, in the City's sole determination during the initial 20-year period described in Section 7.1 K 4 of this Agreement, there is no reasonable reuse option for the Treated Wastewater Effluent discharge from the Project, the City will, subject to Developer's continued compliance with Section 7.1 K 2, accept discharge of the Treated Wastewater Effluent in the City's wastewater treatment plant at no charge to Developer for the duration of such 20-year period. The discharge point to the City will be as established in Section 7.1 K 3 of this Agreement.

6. Treated Wastewater Effluent Discharge Reduced or Terminated – Reimbursement of City. If during the 20-year period described in subparagraph 4 above, (i) the Project ceases operations for any continuous 12 month period or longer, or (ii) Project operations are modified such that the quantity of Treated Wastewater Effluent delivered to the City for any continuous 12 month period is less than 90% of the Treated Wastewater Effluent produced by the Project operating at full Project capacity, as determined by the City, then the Developer agrees to pay and reimburse to the City the lump sum payment of \$2,500,000.00, less the value of the Treated Wastewater Effluent

received by the City to the date the Project ceased operations or the City made the determination described above. The Parties agree that for the purpose of calculating the required reimbursement amount, the value of Treated Wastewater Effluent delivered will be calculated as follows: gallons received x \$.35/ 1,000 gallons.

7. Wastewater Improvements-Untreated Domestic Wastewater. The Developer agrees to pay the costs of and be responsible for extension of facilities necessary to connect to the non-process related portions of the Project to the City sanitary sewer system to receive untreated domestic wastewater discharge.

8. Wastewater Agreements Applicable to Project Only. All agreements and provision in this Agreement relating to wastewater produced by the Project are applicable only to the Project described in this Agreement. Any provisions regarding wastewater services for additions or expansions to the Project not described in this Agreement will be subject to separate negotiations and agreements.

L. *Primary Access Improvements.* The existing access to the Project Site is from US-83, approximately half way between the north end of the river bridge and the south end of the railroad overpass. The City agrees to construct and finance necessary improvements, including engineering costs, required studies and all related and necessary costs, to the intersection of the access road with U.S. Highway 83 as depicted on Exhibit E. The Developer agrees to construct and finance necessary improvements to the remainder of the access road as depicted on Exhibit E. The construction schedule for the entrance and access improvements is set forth on Exhibit C.

M. *Secondary Access.* The primary access to the Project also serves the City's Wastewater Treatment Plant and Jameson Energy Center, a KMEA-City electric generation facility. Access to these facilities cannot not be interrupted during construction of the primary access improvements or the Project. During construction of primary access improvements, City will allow secondary access to the Project Site, as needed, as shown on Exhibit D. Any improvements to the secondary access route necessary to accommodate Developer's construction of the Project shall be the responsibility of the Developer, subject to approval by the City and Finney County, as applicable. The City will grant an easement to Developer for secondary access as described herein in form mutually acceptable to the Parties.

N. *Access Agreement Termination.* The City agrees that it will terminate as of June 30, 2016, that certain agreement dated July 1, 2011, by and between Huber Sand, Inc. and the City, successor in interest to Ronald L. James and Nancy Bieker, Co-Executors of the Estate of Bonnie Jameson, an unmarried widow (recorded in Book 312, page 220 of Finney County, Kansas on August 30, 2013).

Section 7.2. Industrial Revenue Bonds, Tax Incentives. The Developer requests and the City intends to issue its Industrial Revenue Bonds ("Bonds") to finance acquisition of the Project Site, site preparation and the construction of the Project as will be more fully set forth in the City's Resolution stating its intention to issue the Bonds. Subject to the provisions of the next paragraph of this section and to the requirements of the City's and Finney County's statement of policies and procedures regarding tax exemptions and incentives for economic development, and in connection with issuance of the Bonds and applicable Kansas Law, the

City will grant a 70% ad valorem tax abatement on the taxable real property and improvements constituting the Project for a period of 10-years beginning in the first calendar year following the year the Bonds are issued and as is consistent with Kansas law and the terms of this Agreement (the “Abatement”). The Parties acknowledge and agree that pursuant to Kansas law the Abatement applies only to real property and improvements thereon financed with proceeds of the Bonds, and all property subject to the Abatement must be financed with proceeds of the Bonds. The Parties agree that this Agreement contemplates that the value of the Project Site and the Project to be subject to Abatement will be financed (or costs reimbursed) from proceeds of the Bonds. The Bonds shall be issued in a sum sufficient to pay costs of acquiring the Project Site, constructing the Project and authorized costs of issuing the Bonds. The Bonds may be issued prior to construction of the Project or after the date the Project is substantially completed and shall be issued for a period of at least 10 years from the date the Bonds are issued. Upon adoption of its resolution of intent to issue Bonds, the City will apply for a retailers’ sales tax exemption certificate for the Project.

The provisions, covenants and agreements contained in this Agreement with respect to ad valorem tax exemption are conditioned on and depend approval by Finney County, and the issuance by the Kansas Board of Tax Appeals of an order exempting the Project from ad valorem taxation in accordance with Kansas law. The City agrees to take all necessary action to assist the Developer in obtaining and maintaining the exemption, including any filing required with Finney County, Kansas and the Kansas Board of Tax Appeals; provided, however, the City shall not be liable for any failure by the Kansas Board of Tax Appeals or Finney County, Kansas to effect or approve the exemption allowed currently allowed by applicable Kansas Law. The Developer acknowledges that it is the responsible party to obtain and maintain the tax exemption provided for herein. Developer acknowledges that the requirements of applicable Kansas law have been fully explained to the Developer and Developer agrees to act in good faith, cooperate with the City, and use its best efforts in any action necessary to obtain and maintain the exemption under Kansas law. Developer further acknowledges that the exemption, if granted, is subject to changes in law and that actions of the Developer may affect the availability of the exemption initially and in any subsequent year regardless of this Agreement, and further, that the granting of the exemption by the Kansas Board of Tax Appeals for one portion of the Project does not guarantee the granting of an exemption for any other portion nor guarantee renewal of the exemption for any subsequent year.

The Parties further acknowledge that the City’s ability to obtain a sales tax exemption for the Project is subject to changes in law made by the Kansas legislature and to the issuance of a sales tax exemption certificate by the Kansas Department of Revenue.

Section 7.3. **Time of Essence.** Time is of the essence of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

Section 7.4. **Amendments.** This Agreement may be amended only by the mutual consent of the Parties, by the adoption of a resolution or ordinance of the City approving said amendment, as provided by law, and by the execution of said amendment by the Parties or their successors in interest.

Section 7.5. **Conflicts of Interest.**

A. No member of the City's governing body or of any branch of the City's government that has any power of review or approval of any of the Developer's undertakings shall participate in any decisions relating thereto which affect such person's personal interest or the interests of any corporation or partnership in which such person is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict disclose, in writing, to the City the nature of such interest and seek a determination with respect to such interest by the City and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

B. The Developer warrants that it has not paid or given and will not pay or give any officer, employee or agent of the City any money or other consideration for obtaining this Agreement. The Developer further represents that, to its best knowledge and belief, no officer, employee or agent of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision making process or gain insider information with regard to the Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof for work to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 7.6. **Validity and Severability.** It is the intention of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Kansas, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

Section 7.7. **Notice.** All notices and requests required pursuant to this Agreement shall be sent as follows:

To the City:

City of Garden City, Kansas
Attn: City Manager
P.O. Box 988
Garden City, Kansas 67846
Telephone: 620.276.1160

With a copy to:
Randall D. Grisell, City Attorney
Doering & Grisell, P.A.
124 Grant Ave.
Garden City, Kansas 67846

Telephone: 620.275.8084

To the Developer:

Alex B. Bachelor
Senior Vice President and General Counsel
Dairy Farmers of America
10220 N. Ambassador Drive
Kansas City, Missouri
Telephone: 816.803.9063
Facsimile: 816.801.6445

With a copy to:

David A. Fenley
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, Missouri 64112
Telephone: 816.983.8000
Facsimile: 816.983.8080

or at such other addresses as the Parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section 7.8. **Kansas Law.** This Agreement shall be governed by and contained in accordance with the laws of the State of Kansas. It is the intent of the Parties that the provisions of this Agreement are not intended to violate the Kansas Cash Basis Law (K.S.A. 10-1101 et seq.) or the Kansas Budget Law (K.S.A. 79-2925). Therefore, notwithstanding anything to the contrary herein, the City's obligations under this Agreement are to be construed in a manner that assures the City is at all times in compliance with the Kansas Cash Basis Law and the Kansas Budget Law.

Section 7.9. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 7.10. **Tax Implications.** The Developer acknowledges and represents that (i) neither the City nor any of its officials, employees, consultants, attorneys or other agents has provided the Developer any advice regarding the federal or state income tax implications or consequences of this Agreement and the transactions contemplated herein, and (ii) the Developer is relying solely upon its own tax advisors in this regard.

Section 7.11 **Consent or Approval.** Except as otherwise provided in this Agreement, whenever the consent, approval or acceptance of either Party is required hereunder, such consent, approval or acceptance shall not be unreasonably withheld or unduly delayed.

Section 7.12. **Excusable Delays; Times of Performance; Extensions.** Neither the City nor the Developer shall be deemed to be in default of this Agreement because of an Excusable Delay. The Parties agree the City will not begin performing City Work under this Agreement until the Board of Directors of Dairy Farmers of America has approved the Project (“Developer approval”) and that all performance dates identified in this Agreement and its Exhibits shall be revised and extended as necessary to coincide with the date of Developer approval. The Parties further agree that all performance and other dates set forth in this Agreement shall be extended where the Party seeking the extension has acted diligently and delays and defaults are due to Excusable Delays. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the City and the Developer, to which each Party shall reasonably agree at the request of another Party.

Section 7.13 **Termination.** Notwithstanding anything herein stated to the contrary, if the Board of Directors of Dairy Farmers of America, Inc. does not approve of the Project by December 31, 2015, this Agreement shall terminate on such date and the Parties shall have no further duties or responsibilities to each other. If this Agreement does so terminate each Party shall be responsible for its own costs. Further, if the Lease with Option to Purchase referred to in Section 7.1G herein is terminated pursuant to Section 29 of such Lease with Option to Purchase, this Agreement shall terminate on such date and the Parties shall have no further duties or responsibilities to each other and each Party shall be responsible for its own costs.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement is executed by City and Developer effective as to the day and year first above written.

CITY OF GARDEN CITY, KANSAS

[seal]

By _____
Janet A. Doll, Mayor

ATTEST:

By: _____
Celyn N. Hurtado, City Clerk

APPROVED AS TO FORM:

Randall Grisell, City Attorney

ACKNOWLEDGEMENT

STATE OF KANSAS)
) ss.
COUNTY OF FINNEY)

Now on this _____ day of _____, 2015, before me, a notary public in and for said county and state, came Janet A. Doll and Celyn N. Hurtado, Mayor and City Clerk, respectively, of the City of Garden City, Kansas, a Kansas municipal corporation duly authorized, incorporated and existing under and by virtue of the Constitution and laws of the State of Kansas, who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said City, and such persons duly acknowledged the execution of the same to be the act and deed of said City.

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

Notary Public

My Commission Expires:

EXHIBITS

| | |
|-----------|--|
| Exhibit A | Legal Description of the Project Site |
| Exhibit B | Depiction of Project |
| Exhibit C | Project Schedule |
| Exhibit D | Utility Rate Schedule |
| Exhibit E | Depiction of Access Improvements and Secondary Access Easement |
| Exhibit F | Electric Rates During Construction |
| Exhibit G | Lease |

Exhibit A - Legal Description of the Project Site

A parcel of land located in the Government Lots 1, 2 and 3, and the Northeast quarter of Section 21, Township 24 South, Range 32 West of the 6th P.M., in Finney County, Kansas, being further described as follows;

Commencing at the North quarter corner of Section 21, T24S, R32W, thence $S00^{\circ}30'21''W$ on the quarter section line for a distance of 1,088.48 feet to the intersection of the quarter section line with the Southerly right-of-way line of the B.N.S.F. Railroad, said point being the POINT OF BEGINNING; thence $S76^{\circ}41'55''E$ on said right-of-way line for a distance of 1,564.07 feet to the beginning of a curve; thence Southeasterly on said right-of-way line on a curve having a radius of 11,409.19 feet, a Delta angle of $1^{\circ}13'19''$, a chord bearing of $S75^{\circ}50'08''E$, a chord distance of 243.34 feet, for an arc distance of 243.35 feet to a capped rebar stamped "Site Surveys LS 891"; thence $S00^{\circ}16'16''W$ for a distance of 746.45 feet to a found 5/8" rebar at the Northwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 750.06 feet to a found 1/2" rebar at the Southwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 1,100.00 feet to a capped rebar set; thence $N71^{\circ}53'53''W$ for a distance of 897.69 feet to a capped rebar set; thence $N06^{\circ}27'21''E$ for a distance of 52.42 feet to a capped rebar set; thence $N72^{\circ}21'07''W$ for a distance of 603.38 feet to a capped rebar set; thence $N75^{\circ}33'34''W$ for a distance of 500.13 feet to a capped rebar set; thence $S28^{\circ}46'36''W$ for a distance of 400.81 feet to a capped rebar set; thence $S87^{\circ}57'59''W$ for a distance of 105.71 feet to a capped rebar set; thence $N58^{\circ}12'36''W$ for a distance of 288.37 feet to a capped rebar set; thence $N77^{\circ}42'17''W$ for a distance of 169.81 feet to a capped rebar set; thence $S87^{\circ}25'19''W$ for a distance of 328.37 feet to a capped rebar set on the Easterly right-of-way line of U.S. Highway 83 By-Pass; thence $N34^{\circ}16'16''E$ on said right-of-way line for a distance of 632.02 feet to a capped rebar set (said point being the Point of Beginning of excluded parcel described below); thence $N21^{\circ}32'36''E$ on said right-of-way line for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ on said right-of-way line for a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ on said right-of-way line for a distance of 60.00 feet to a capped rebar set; thence $N77^{\circ}02'24''W$ on said right-of-way line for a distance of 301.50 feet to a capped rebar set; thence $N07^{\circ}06'17''E$ on said right-of-way line for a distance of 984.22 feet to a capped rebar set at the intersection of the Easterly right-of-way line of U.S. Highway 83 By-Pass and the Southerly right-of-way line of the B.N.S.F. Railroad; thence $S76^{\circ}41'55''E$ on the Southerly right-of-way line of the B.N.S.F. Railroad for a distance of 381.19 feet to the POINT OF BEGINNING, and INCLUDING the land south of the above described parcel to the North bank of the Arkansas River, and EXCLUDING the following parcel, BEGINNING at the point described above, thence $N21^{\circ}32'36''E$ for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ for a distance of 60.00 feet to a capped rebar set; thence $S77^{\circ}02'24''E$ for a distance of 213.08 feet; thence $S77^{\circ}02'24''E$ for a distance of 1,032.07 feet; thence $S77^{\circ}02'24''E$ for a distance of 63.67 feet; thence $S77^{\circ}02'24''E$ for a distance of 657.11 feet; thence $S77^{\circ}02'24''E$ for a distance of 199.32 feet, to the Point of Beginning, said excluded parcel contains approximately 15.9 acres. Said parcel containing approximately 156.1 acres, EXCEPT and excluding, however, all mineral rights and water rights.

Excluded tract has not been surveyed.

Exhibit B - Depiction of Project

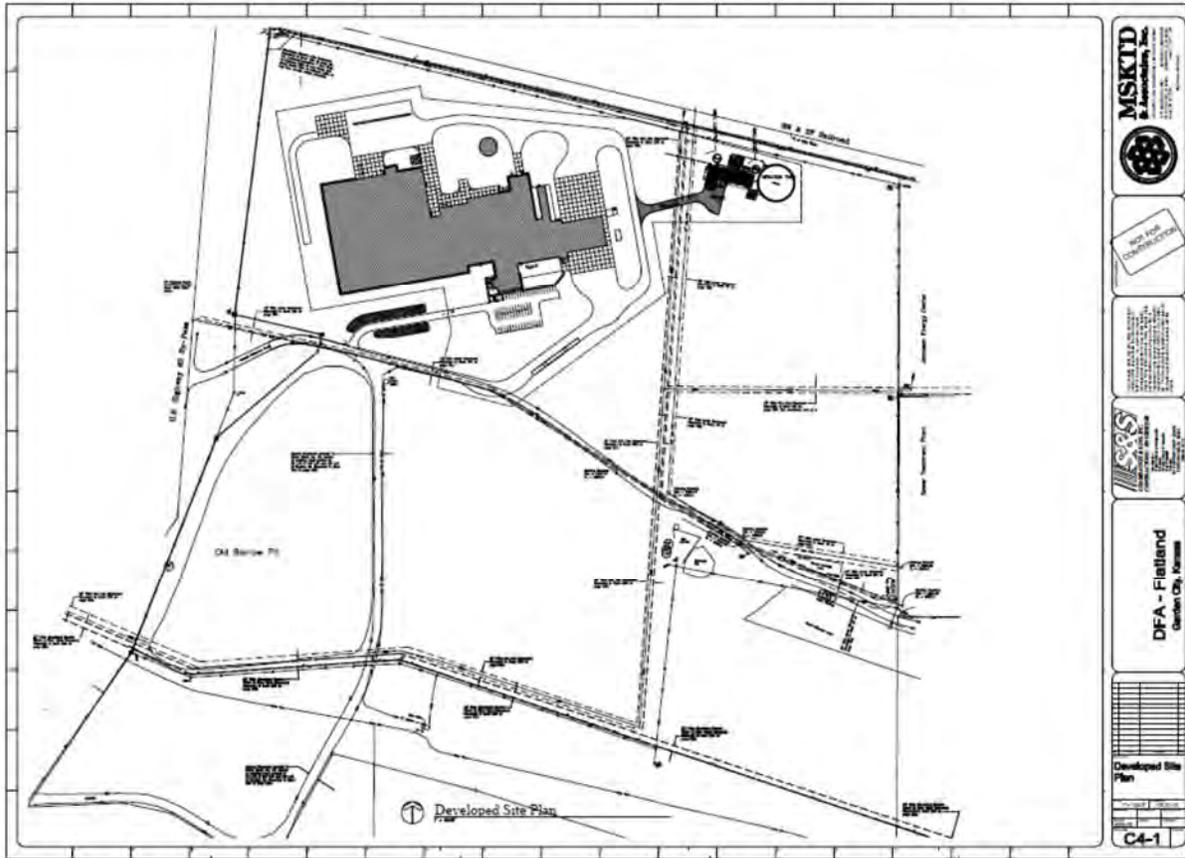


Exhibit C – Project Schedule

| | |
|--|------------------------|
| Execute consultant contract for TIS and Highway/Access design # 15-30 calendar days after the latter of the effective date of the Development Agreement or the date DFA authorizes the project per Section 7.13 of the Development Agreement | TBD # |
| Notice to Proceed (NTP) on TIS and Highway Access engineering | TBD # |
| TIS to KDOT | NTP + 60 calendar days |
| Preliminary design to KDOT | Fall 2015## |
| Completion of Highway and Access Road improvements | July 31, 2016## |
| Completion of off-site Water system improvements | July 31, 2016## |
| Completion of on-site Electric Service | July 31, 2016## |

Completion dates are based upon an effective date of the Development Agreement and DFA authorization of the project no later than July 31, 2015. This schedule will be adjusted accordingly per the latter of the actual effective date of the Development Agreement or the date DFA authorizes the project per Section 7.13 of the Development Agreement

Exhibit D – Utility Rate Schedule

| | |
|--|----------------|
| Plant Operations – first day of commercial operations | May 31, 2017 # |
| Electric Rate per § 7.1.I.1 effective | May 31, 2017 |
| Water Rate per § 7.1.J.1 effective | May 31, 2017 |
| Sewer Rate per § 7.1.K.1 effective | May 31, 2017 |
| Treated Wastewater Effluent Rate per § 7.1.K.4 effective | May 31, 2017 |
| Begin Electric Rate negotiations | May 31, 2024 |
| Begin Water Rate negotiations | May 31, 2024 |
| Finalize Electric Rate negotiations no later than | May 30, 2026 |
| Finalize Water Rate negotiations no later than | May 30, 2026 |
| Begin Sewer Rate negotiations | May 31, 2034 |
| Finalize Sewer Rate negotiations no later than | May 30, 2036 |
| Begin Treated Wastewater Effluent Rate negotiations | May 31, 2034 |
| Finalize Treated Wastewater Effluent Rate negotiations no later than | May 31, 2036 |

Projected first day of commercial operations. All dates will be adjusted according to the actual first day of commercial operations, which will be no earlier than this date.

Exhibit E – Depiction of Access Improvements and Secondary Access Easement

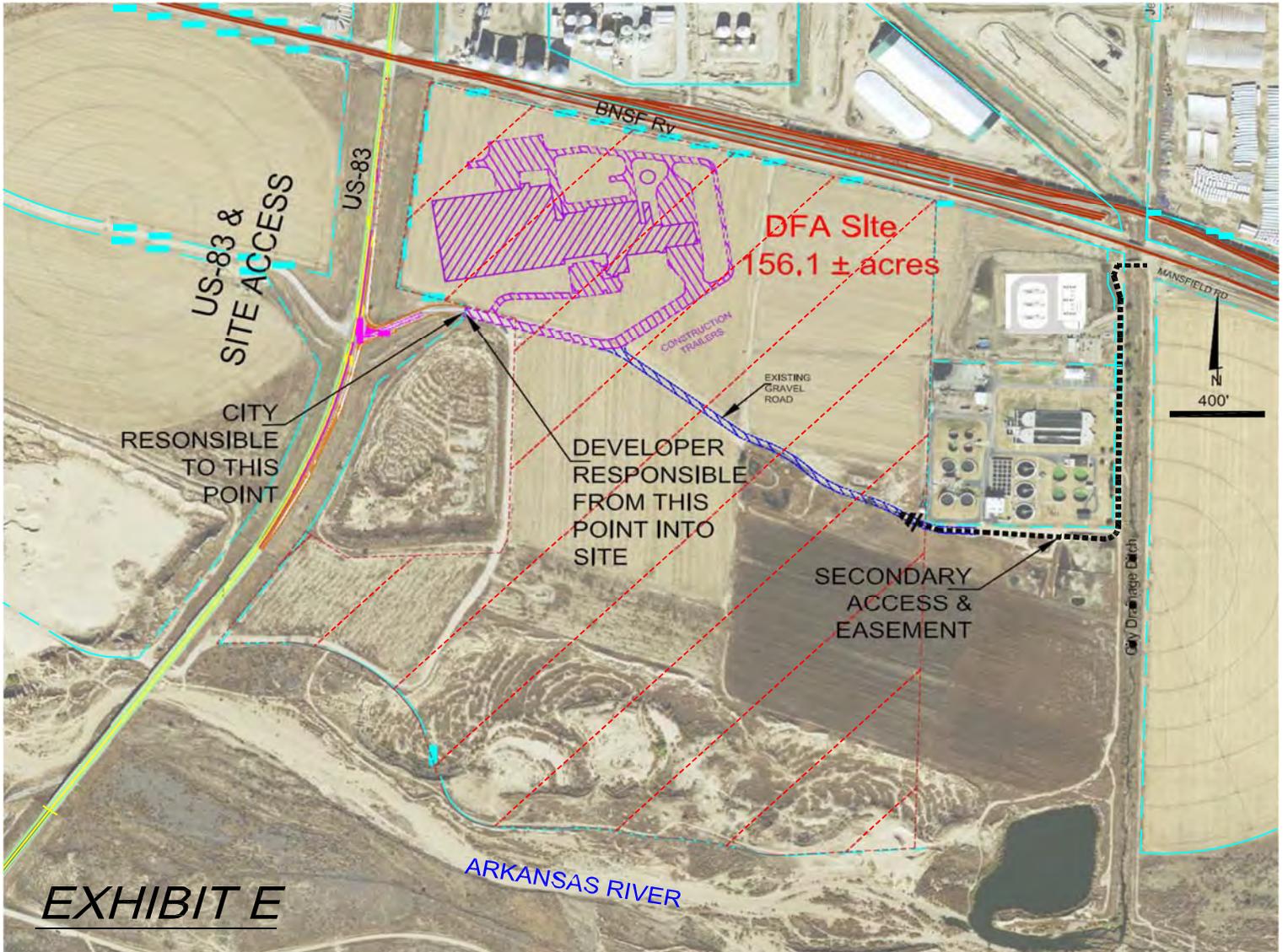


Exhibit F –Utility Rates During Construction

WATER

\$1.86 per 1,000 gallons plus \$23.90 per month base charge (assumes 2” service)

Water delivered through a hydrant: \$5.00 per 1,000 gallons, or fraction thereof

Requires a meter issued by the water department.

Readings not reported or meters not returned by the twenty-fifth of the month will be assessed a nonrefundable \$50.00 monthly meter fee, and will be billed regardless of water usage.

WASTEWATER

\$2.00 per 1,000 gallons of flow plus \$12.00 per month base charge

ELECTRIC

Base charge \$85.00 per month

Demand charge \$11.86 per kW#

Energy charge \$0.0690 per kwh

Billing demand. The billing demand shall be the highest measured 15-minute integrated demand during the current billing month.

Exhibit G
LEASE WITH OPTION TO PURCHASE

THIS LEASE WITH OPTION TO PURCHASE (the “Lease”) is made as of the _____ day of _____, 2015, by and between the **City of Garden City, Kansas**, a municipal corporation organized according to Kansas law, referred to hereinafter as “Landlord” and **Meadowlark Dairy Nutrition, LLC**, organized and existing according to Delaware law, hereinafter referred to as “Tenant”.

1. **BASIC PROVISIONS.** The following basic provisions apply to this Lease:

- a. **TENANT:** **Name:** Meadowlark Dairy Nutrition, LLC
Federal Tax I.D. or Social Security #:
Notice Address: 10220 N. Ambassador Drive
Kansas City, Missouri 64153
- b. **PREMISES:** The real property described in **Exhibit A**.
- c. **TERM:** **Length:** ten (10) years
Effective Date: The date this Lease has been signed by both parties and the Review Period (hereinafter defined) has expired (hereinafter the “Effective Date”).
Purchase Option: Exercisable by Tenant by giving Landlord at least 60 days’ written notice at any time during the first five (5) years of the term, purchase price is \$1,000,000.00, and in the second five (5) years of the term, purchase price is \$1,263,700.00 exercisable by Tenant giving Landlord sixty (60) days written notice. **[see Section 3.2]**
- d. **RENT:** **Annual Rent:** \$15,000.00 **[see Section 4.1]**
- e. **PERMITTED USE:** Premises may be used as a USDA dairy dryer process plant or any other lawful use consistent with a dryer plant.
- f. **RENT PAYMENT ADDRESS:** Finance Director
301 North Eighth
P. O. Box 998
Garden City, Kansas 67846
- g. **RENT PAYABLE TO:** City of Garden City, Kansas
- h. **UTILITIES:** Tenant’s responsibility **[see Section 6]**

i. **INSURANCE LIMITS:** Comprehensive General Liability: \$2,000,000.00

The foregoing provisions shall be interpreted and applied in accordance with the other provisions of this Lease set forth below. The terms in this Section 1 shall have the meanings specified therefor, herein or therein, when used as capitalized terms in other provisions of this Lease.

2. **PREMISES.** Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby rents from Landlord, that certain real estate legally described on **Exhibit A** attached hereto (the "Premises").

3. **TERM.**

3.1 **Term.** This Lease is for a term which begins on the date "Effective Date" and which shall end on the day before the tenth (10th) anniversary of the Effective Date (the "Expiration Date"). This period is known as the "Term".

3.2 **Purchase Option.** Tenant shall have the option to purchase the real estate constituting the Premises. Tenant may purchase the Premises under this option at any time during the first five (5) years of the Term for \$1,000,000.00 and at any time during the second five (5) years of the Term for \$1,263,700.00. If Tenant desires to exercise Tenant's purchase option, Tenant shall send written notice of such exercise to Landlord not less than sixty (60) days prior to the closing.

a. Time for Closing. The closing on the purchase of the Property (the "Closing") will take place on a mutually agreeable date and time (the Closing Date) no later than sixty (60) days after the date of the purchase notice. The Closing will take place at the offices of a title insurance company chosen by Tenant.

b. Costs of Closing. The costs of the Closing shall be as set forth in **Exhibit B**, attached hereto and made a part hereof.

c. Method of Closing and Transfer. Landlord and Tenant will execute and deliver such documents necessary to effectuate the Closing, including, but not limited to, a special warranty deed, a settlement statement apportioning the Closing costs, and any other affidavits reasonable required by the title company (including FIRPTA affidavit from Landlord). Landlord will transfer title to the Property to Tenant or to a designee of Tenant by the Deed (as hereinafter defined). The Deed will be subject to only: (i) easements, restrictions, declarations, reservations, agreements, instruments and other matters of record, approved by Tenant, (ii) taxes and assessments, general and special, not then due and payable, (iii) rights of the public in and to the parts thereof in streets, roads or alleys, and (iv) those special exceptions matters showing on Schedule B of Tenant's title commitment and approved by Tenant (collectively, the "Permitted Exceptions"). Landlord agrees to reasonably cooperate with Tenant in causing the preprinted exceptions in and the standard requirements in Tenant's title commitment to be satisfied in all respects. At the Closing, Tenant will pay the purchase price by wire transfer.

d. Form of Closing Documents. The form of closing documents shall be as follows:

(i) Deed. Grantor will transfer the Property subject only to Permitted Exceptions, by means of a special warranty deed (the "Deed").

(ii) Title Policy. Tenant must receive an ALTA owner's title insurance policy, in form acceptable to Tenant and including such endorsements as desired by Tenant, as such proforma is shown on attached **Exhibit C** insuring Tenant will be the fee simple owner of the Premises upon delivery of the Deed and subject only to the exceptions shown on proforma.

4. **RENT.**

4.1 **Annual Rent.** The annual rent (the “Annual Rent”) during the Term of this Lease shall be the amount of Fifteen Thousand Dollars (\$15,000.00). All rental payments shall be due and payable in advance on each anniversary of the Effective Date, to Landlord, 301 North Eighth, P. O. Box 998, Garden City, Kansas 67846, or at such other places as Landlord from time to time may designate in writing.

5. **TRIPLE NET LEASE.** Except as called out to be paid for by the City in that certain Flatland Project Development Agreement dated _____ as executed by Landlord and Tenant (“Flatland Agreement”) or as abated as described in such Flatland Agreement, Tenant shall timely pay all taxes, insurance premiums, maintenance, repair, and replacement costs, and any and all other expenses or charges relating to the Premises during the Term of this Lease. In the event Landlord receives a bill or invoice for any of the foregoing, Landlord shall promptly forward such bill or invoice to Tenant. Landlord shall pay all those state, city, and county taxes due and owing with respect to the Premises accrued as of the Effective Date. Tenant shall pay all state, city, and county taxes, ad valorem or specific, on Tenant’s personal property located at the Premises and all property erected or installed there by Tenant, regardless of whether such installations or improvements may be removed by Tenant at the expiration of the lease term. Tenant shall pay any and all license fees or other specific business taxes imposed by municipal, county, or state governments on conduct of Tenant’s business.

6. **UTILITIES.** Except as called out to be paid for by the City in the Flatland Agreement, Tenant shall contract and pay for all utilities serving the Premises, including the restoration, repair, and alteration of utility lines, transformers, and all necessary utility components. Landlord shall not be liable nor shall Tenant be entitled to abate rent or pursue any other remedy or claim against Landlord as a result of any interruption in utility or other services, except where Landlord is negligent or engages in intentional misconduct.

7. **ASSIGNMENT & SUBLETTING.** Tenant shall be allowed to sublet or allow any party to occupy the Premises or any part thereof and Tenant shall be allowed to assign, transfer, pledge, mortgage, or otherwise encumber this Lease, or any portion of the term thereof.

8. **MAINTENANCE.** Except as called out to be paid for by the City in the Flatland Agreement, Tenant shall, at its expense, maintain in good condition and repair (including replacements where necessary) the Premises, including, without limitation, the roof, downspouts, exterior doors, windows and walls, mechanical, electrical and utility systems, foundation, structural parts and interior of any improvements located on the Premises, and the parking areas and landscaping on the Premises, subject to ordinary wear and tear.

9. **PERMITTED USE.** Tenant shall use and occupy the Premises for a USDA dairy dryer process plant or any other lawful use consistent with a dryer plant and no other use or purpose, and Tenant agrees for itself and its employees, agents, clients, customers, invitees, and guests to comply with the rules and conditions as outlined in this Lease. Tenant shall not make or permit to be made any use of the Premises which, directly or indirectly, is forbidden by law, ordinance, code, or other governmental regulation; nor shall Tenant do or permit to be done any act or thing upon the Premises which will be in conflict with all-risk insurance policies covering the building.

10. **ALTERATIONS AND IMPROVEMENTS.** Tenant shall be allowed to make any alterations, improvements, or additions to the Premises. During the Term of the Lease, the Tenant is the owner of all alterations, improvements or additions to the Premises. The work necessary for any alterations, improvements, additions, or signage to the Premises shall be done at Tenant’s expense by contractors. Tenant shall promptly pay to Tenant’s contractors, when due, the cost of all such work. Upon completion of such work, Tenant shall deliver to Landlord, if payment is made directly to contractors, evidence of payment, contractor’s affidavits, and full and final waivers of all liens for labor, services, or materials. Tenant shall defend and hold Landlord harmless from all costs, damages, liens, and expenses related to such work. All work done by Tenant or its contractors shall be done in a good and workmanlike manner, using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies. All alterations, improvements, and additions to the Premises, whether temporary or permanent in character, made or paid for by Landlord or Tenant shall become Landlord’s property at the termination of this Lease unless the option to purchase has been exercised by Tenant and the purchase has closed pursuant hereto (in such event Tenant shall continue to be

the owner) and shall, unless Landlord requests their removal, be relinquished to Landlord in good condition, ordinary wear and tear excepted.

11. **INSURANCE.** Tenant, at Tenant's cost and expense, shall maintain commercial general liability insurance protecting and indemnifying Landlord and Tenant against any and all claims of liability for injury or damage to persons or property or for the loss of life or of property occurring upon, in or about the Premises caused by or resulting from any act or omission (in whole or in part) of Tenant, its employees, agents, servants, invitees, or guests in the amount of not less than \$2,000,000 combined single limit coverage for personal injury to any one person, including death and for personal injury including death to more than one person arising out of any one occurrence and with respect to property damage. The foregoing insurance shall be maintained by Tenant throughout the term of this Lease, be issued by insurers rated at least "A-" and shall name Landlord an additional insured, as its interests may appear. On or before the Effective Date of this Lease and on each anniversary date thereafter, Tenant shall furnish Landlord with certificates evidencing the aforesaid insurance coverage and renewal policies or certificates. Tenant shall undertake no act or omission that will cause cancellation or invalidation of Tenant's insurance. If Tenant at any time during the term of this Lease should fail to secure or maintain the insurance required in this paragraph, Landlord shall be permitted to obtain such insurance in Tenant's name or as the agent of Tenant. Any amounts paid by Landlord for such insurance shall become immediately due and payable as rent by Tenant to Landlord, together with interest thereon from the date of payment by Landlord until paid by Tenant at the Default Rate. Any such payment by Landlord shall not be deemed to be a waiver of any other rights which Landlord may have under the provisions of this Lease as provided by law.

12. **WAIVER OF SUBROGATION.** Each of the parties hereto waive any claims each may have against the other for loss or damage to the respective property of the other, including the Premises or its contents, arising from a loss covered or which would be covered by the insurance required to be maintained hereunder, including, without limitation, the other's negligence. Without vitiating the parties' waiver, the parties covenant to obtain for the benefit of the other a waiver of any right of subrogation which a party or its insurer might otherwise have acquired against the other party for any loss covered by such insurance.

13. **DESTRUCTION OR DAMAGES.** In the event the improvements located on the Premises are destroyed or damaged by fire or other casualty, Tenant may, at Tenant's sole cost, risk, and expense, restore, repair, reconstruct, or replace the same forthwith in accordance with the plans pursuant to which they were originally constructed (or in accordance with plans approved by Landlord), and during the period of such restoration, there shall be no abatement of the Rent. If the Tenant elects to not restore, repair, reconstruct, or replace the improvements, the Lease will continue without abatement of the Rent until the end of the Term.

14. **HOLDING OVER.** Any holding over after the expiration of this Lease or any extension thereof, by lapse of time or otherwise, without the consent of Landlord, shall be construed to be a tenancy from year-to-year at an annual rent equal to one hundred twenty percent (120%) the rate payable for the year immediately preceding the commencement of said holding over and shall otherwise be on the terms and conditions herein specified, so far as applicable. The provisions of this Section shall not exclude Landlord's right of reentry or any other right hereunder. The acceptance by Landlord of any payment of Rent subsequent to the commencement of such retention of possession by Tenant shall not be deemed to constitute a waiver by Landlord of any of the provisions of this Section.

15. **INDEMNIFICATION OF LANDLORD.** Tenant agrees to indemnify and save harmless Landlord against and from, and to require any sub-tenant to indemnify and save harmless Landlord against and from, any and all claims, liabilities, losses, damages, and expenses (including attorneys' fees) incurred by Landlord arising out of or relating to (i) any act or omission of Tenant or any sub-tenant, or any of their agents, contractors, servants, invitees, employees or licensees, and (ii) any breach of this Lease by Tenant, except where Landlord engages in intentional misconduct or gross negligence. Tenant, as a material part of the consideration to Landlord, hereby assumes and agrees to require any sub-tenant to assume all risk of damage to property in or upon the Premises from any source and to whomever belonging, and Tenant hereby waives and agrees to require any sub-tenant to waive all claims in respect thereof against Landlord and agrees to defend and save Landlord harmless from and against, and require any sub-tenant likewise to agree to defend and save Landlord harmless from and against, any such claims by others.

16. **INDEMNIFICATION OF TENANT.** To the extent allowed by law, Landlord agrees to indemnify and save harmless Tenant against and from, any and all claims, liabilities, losses, damages, and expenses (including

attorneys' fees) incurred by Tenant arising out of or relating to (i) any act or omission of Landlord, or any of its employees or elected officials, and (ii) any breach of this Lease by Landlord, except where Tenant engages in intentional misconduct or gross negligence. Under no circumstances shall Landlord incur liability in an amount in excess of the limits set forth in the Kansas Tort Claims Act, nor shall this Lease in any matter abrogate the immunities or liability exceptions for Landlord contained in the Kansas Tort Claims Act.

17. SURRENDER OF POSSESSION. Unless Tenant has exercised the option to purchase and the purchaser has closed hereto, upon the expiration of the Term or any extension thereof, or upon the termination of Tenant's right of possession whether by lapse of time or at the option of Landlord as herein provided, Tenant shall forthwith surrender the Premises to Landlord in good order, repair and condition, ordinary wear and tear excepted. In such case any interest of Tenant in the alterations, improvements, and additions to the Premises made or paid for by Landlord or Tenant shall become Landlord's property at the termination of this Lease by lapse of time or otherwise. In such case at the termination of the term or of Tenant's right of possession, Tenant agrees to remove Tenant's property from the Premises. In such case Tenant shall pay to Landlord upon demand the cost of repairing any damage to the Premises caused by any such removal. In such case if Tenant shall fail or refuse to remove any such property from the Premises within fourteen (14) days after the expiration or earlier termination of this Lease, Tenant shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to Landlord without any cost (by set-off, credit, allowance or otherwise), and Landlord may at its option accept the title to such property or at Tenant's expense may (i) remove the same or any part in any manner that Landlord may choose, repairing any damage to the Premises caused by such removal, and (ii) store, destroy or otherwise dispose of the same without incurring liability to Tenant or any other person.

18. DEFAULT AND REMEDIES.

18.1 EVENTS. The occurrence of any of the following shall, at the option of Landlord, constitute a material default and breach of this Lease by Tenant ("Event of Default"):

- (i) Any failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant hereunder within thirty (30) days after Landlord's written notice;
- (ii) The abandonment or vacation of the Premises by Tenant;
- (iii) Any failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period Tenant shall commence such cure and thereafter diligently prosecute the same to completion;
- (iv) The making of any assignment by Tenant of the Premises, or part thereof, for the benefit of creditors, or should the Premises be taken under any levy of execution or attachment in execution against Tenant, and such levy, attachment, or assignment is not dismissed and discharged within thirty (30) days after written notice thereof given by Landlord to Tenant;
- (v) The filing of any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act against Tenant or the institution of any voluntary or involuntary proceeding in any court or tribunal to declare Tenant insolvent or unable to pay its debts, and the same shall not be dismissed or discharged within thirty (30) days after notice thereof in writing given by Landlord to Tenant; or
- (vi) Appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days or the attachment, execution or other judicial seizure of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

18.2 **RIGHT OF RECOVERY.** Upon the occurrence of any Event of Default, Landlord may pursue any remedies available to Landlord at law or in equity.

19. **SEVERABILITY.** In the event any provisions of this Lease be found to be contrary to law, or void as against public policy or otherwise, such provisions shall be either modified to conform to the law or considered severable with the remaining provisions hereof continuing in full force and effect.

20. **EXPENSES OF ENFORCEMENT.** Tenant shall pay upon demand all of Landlord's costs, charges, and expenses, including fees of counsel, agents, and others retained by Landlord, incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation, arbitration, negotiation, or transaction in which Tenant causes Landlord to become involved or concerned as a result of the relationship created hereby.

21. **EMINENT DOMAIN.** If the whole or a substantial part of the Premises hereby leased shall be taken by any public or quasi-public authority under the power of eminent domain so that such taking would render the use of the remainder unsuitable for Tenant's purposes, then the terms of this Lease shall cease on the part so taken from the date the possession of that part shall be required for any public purpose and the rent shall be paid up to that day, and from that day and for thirty (30) days thereafter Tenant shall have the right either to cancel this Lease and declare same null and void or to continue in the possession of the remainder of the same under the terms herein provided, except that the rent shall be reduced in proportion to the amount of the Premises taken. All damages awarded for such taking shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any portion of the award made to Tenant for moving expenses.

22. **BANKRUPTCY.** Neither this Lease, nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy, or to any other receiver or assignee for the benefit of creditors or otherwise by operation of law during the term of this Lease or any renewal or extension thereof.

23. **TRANSFER OF LANDLORD'S INTEREST AND PROHIBITION OF LANDLORD FURTHER AFFECTING TITLE.** Tenant acknowledges that Landlord has the right to transfer its interest in the Premises and in this Lease, and Tenant agrees that in the event of any such transfer Landlord shall not be released from all obligations under this Lease. During the Term hereunder, Landlord shall not execute, add or modify any encumbrances of record or that otherwise affect the Premises, including without limitation, the grant of any easements, covenants, restrictions or rights of way without Tenant's prior consent, which may be withheld in Tenant's sole discretion.

24. **WAIVER.** One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a further breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar act by Tenant.

25. **NOTICE.** Whenever under this Lease a provision is made for any demand, notice or declaration of any kind, or whether it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other party, it shall be deemed sufficient notice and service thereof if such notice to Tenant is in writing addressed to:

Tenant: Alex B. Bachelor
Senior Vice President and General Counsel
Dairy Farmers of America
10220 N. Ambassador Drive
Kansas City, Missouri 64153

with a copy to: David A. Fenley
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, Missouri 64112

Landlord: City of Garden City, Kansas
Attn: City Manager
P.O. Box 988
Garden City, Kansas 67846

with a copy to: Randall D. Grisell, City Attorney
Doering & Grisell, P.A.
124 Grant Avenue
Garden City, Kansas 67846

and served by hand delivery, overnight mail by a national carrier, or certified or registered mail and postage prepaid. Either party may, by like notice at any time and from time to time, designate a different address to which notices shall be sent.

26. **ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof, and no representation or agreement, oral or otherwise, not contained herein shall be binding upon the parties or otherwise have any force and effect.

27. **ESTOPPEL CERTIFICATE.** Tenant agrees that from time to time, upon not less than thirty (30) days prior request by Landlord, it will deliver to Landlord a duly executed Estoppel Certificate in the form reasonably required by Landlord.

28. **MEMORANDUMS.** The parties agree to execute and record a memorandum of lease and a memorandum of option to purchase acceptable in form to Tenant.

29. **REVIEW PERIOD.** For a period on the date that both parties have signed hereunder and ending on the thirtieth (30) calendar day after the second party to sign herein (such period, including any extension herein provided, being herein referred to as the "Review Period"), Tenant may perform, through agents or contractors of Tenant's choosing, any and all physical inspections (excluding further environmental assessments), reviews of title information and related documents, reviews of surveys and related information, reviews of environmental information, reviews of feasibility and cost of making improvements to the Premises based upon requirements of governmental authorities, and conduct such additional engineering and soil audits of and with respect to the Premises as Tenant deems appropriate. Landlord agrees that Tenant, and Tenant's employees, agents and contractors, shall have access and a license to enter onto the Premises for purposes of conducting physical inspections, assessments, and reviews. Tenant shall repair and restore any damage caused to the Premises by virtue of the privilege of access and inspection granted to it hereunder. If, in Tenant's sole and subjective discretion, based upon inspections and reviews as are hereinabove permitted, or for any other reason whatsoever, or if Tenant determines that the Premises is unsatisfactory to Tenant or that the lease with option to purchase of the Premises is no longer economically advantageous to Tenant, Tenant may by written notice to Landlord not later than expiration of the Review Period, terminate this Lease. Tenant may extend the initial Review Period for up to an additional thirty (30) business days by providing written notice of its election to extend the initial Review Period to Landlord on or before the day that is two (2) calendar days prior to expiration of the initial Review Period. Tenant requires a waiver of surface rights from the mineral and water rights owner associated with the Premises. Each such waiver shall be in form and substance satisfactory to Tenant in its sole discretion. Tenant is acquiring an ALTA leasehold policy and an option to purchase endorsement on the Premises. Landlord agrees to reasonably cooperate with Tenant in causing the preprinted exceptions in and the standard requirements in the leasehold/option to purchase commitment to be satisfied in all respects.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto execute this Lease effective as of the date first above written.

LANDLORD:

CITY OF GARDEN CITY, a municipal corporation
organized according to Kansas law

By: _____
Name: Janet A. Doll
Title: Mayor

WITNESS:

Date: _____

Celyn N. Hurtado
City Clerk

TENANT: MEADOWLARK DAIRY NUTRITION, LLC,
organized and existing according to Delaware law

By: _____
Name: _____
Title: _____

Date: _____

WITNESS:

EXHIBIT "A"

PREMISES

A parcel of land located in the Government Lots 1, 2 and 3, and the Northeast quarter of Section 21, Township 24 South, Range 32 West of the 6th P.M., in Finney County, Kansas, being further described as follows;

Commencing at the North quarter corner of Section 21, T24S, R32W, thence $S00^{\circ}30'21''W$ on the quarter section line for a distance of 1,088.48 feet to the intersection of the quarter section line with the Southerly right-of-way line of the B.N.S.F. Railroad, said point being the POINT OF BEGINNING; thence $S76^{\circ}41'55''E$ on said right-of-way line for a distance of 1,564.07 feet to the beginning of a curve; thence Southeasterly on said right-of-way line on a curve having a radius of 11,409.19 feet, a Delta angle of $1^{\circ}13'19''$, a chord bearing of $S75^{\circ}50'08''E$, a chord distance of 243.34 feet, for an arc distance of 243.35 feet to a capped rebar stamped "Site Surveys LS 891"; thence $S00^{\circ}16'16''W$ for a distance of 746.45 feet to a found $5/8''$ rebar at the Northwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 750.06 feet to a found $1/2''$ rebar at the Southwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 1,100.00 feet to a capped rebar set; thence $N71^{\circ}53'53''W$ for a distance of 897.69 feet to a capped rebar set; thence $N06^{\circ}27'21''E$ for a distance of 52.42 feet to a capped rebar set; thence $N72^{\circ}21'07''W$ for a distance of 603.38 feet to a capped rebar set; thence $N75^{\circ}33'34''W$ for a distance of 500.13 feet to a capped rebar set; thence $S28^{\circ}46'36''W$ for a distance of 400.81 feet to a capped rebar set; thence $S87^{\circ}57'59''W$ for a distance of 105.71 feet to a capped rebar set; thence $N58^{\circ}12'36''W$ for a distance of 288.37 feet to a capped rebar set; thence $N77^{\circ}42'17''W$ for a distance of 169.81 feet to a capped rebar set; thence $S87^{\circ}25'19''W$ for a distance of 328.37 feet to a capped rebar set on the Easterly right-of-way line of U.S. Highway 83 By-Pass; thence $N34^{\circ}16'16''E$ on said right-of-way line for a distance of 632.02 feet to a capped rebar set (said point being the Point of Beginning of excluded parcel described below); thence $N21^{\circ}32'36''E$ on said right-of-way line for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ on said right-of-way line for a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ on said right-of-way line for a distance of 60.00 feet to a capped rebar set; thence $N77^{\circ}02'24''W$ on said right-of-way line for a distance of 301.50 feet to a capped rebar set; thence $N07^{\circ}06'17''E$ on said right-of-way line for a distance of 984.22 feet to a capped rebar set at the intersection of the Easterly right-of-way line of U.S. Highway 83 By-Pass and the Southerly right-of-way line of the B.N.S.F. Railroad; thence $S76^{\circ}41'55''E$ on the Southerly right-of-way line of the B.N.S.F. Railroad for a distance of 381.19 feet to the POINT OF BEGINNING, and INCLUDING the land south of the above described parcel to the North bank of the Arkansas River, and EXCLUDING the following parcel, BEGINNING at the point described above, thence $N21^{\circ}32'36''E$ for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ for a distance of 60.00 feet to a capped rebar set; thence $S77^{\circ}02'24''E$ for a distance of 213.08 feet; thence $S77^{\circ}02'24''E$ for a distance of 1,032.07 feet; thence $S77^{\circ}02'24''E$ for a distance of 63.67 feet; thence $S77^{\circ}02'24''E$ for a distance of 657.11 feet; thence $S77^{\circ}02'24''E$ for a distance of 199.32 feet, to the Point of Beginning, said excluded parcel contains approximately 15.9 acres. Said parcel containing approximately 156.1 acres, EXCEPT and excluding, however, all mineral rights and water rights.

Excluded tract has not been surveyed.

EXHIBIT "B"
COSTS OF CLOSING

EXHIBIT "C"
TITLE POLICY

LEASE WITH OPTION TO PURCHASE

THIS LEASE WITH OPTION TO PURCHASE (the "Lease") is made as of the _____ day of _____, 2015, by and between the **City of Garden City, Kansas**, a municipal corporation organized according to Kansas law, referred to hereinafter as "Landlord" and **Meadowlark Dairy Nutrition, LLC**, organized and existing according to Delaware law, hereinafter referred to as "Tenant".

1. **BASIC PROVISIONS.** The following basic provisions apply to this Lease:

- a. **TENANT:**
 - Name:** Meadowlark Dairy Nutrition, LLC
 - Federal Tax I.D. or Social Security #:
 - Notice Address: 10220 N. Ambassador Drive
Kansas City, Missouri 64153

- b. **PREMISES:** The real property described in **Exhibit A**.

- c. **TERM:**
 - Length:** ten (10) years

 - Effective Date:** The date this Lease has been signed by both parties and the Review Period (hereinafter defined) has expired (hereinafter the "Effective Date").

 - Purchase Option:** Exercisable by Tenant by giving Landlord at least 60 days' written notice at any time during the first five (5) years of the term, purchase price is \$1,000,000.00, and in the second five (5) years of the term, purchase price is \$1,263,700.00 exercisable by Tenant giving Landlord sixty (60) days written notice. **[see Section 3.2]**

- d. **RENT:** **Annual Rent:** \$15,000.00 **[see Section 4.1]**

- e. **PERMITTED USE:** Premises may be used as a USDA dairy dryer process plant or any other lawful use consistent with a dryer plant.

- f. **RENT PAYMENT ADDRESS:** Finance Director
301 North Eighth
P. O. Box 998
Garden City, Kansas 67846

- g. **RENT PAYABLE TO:** City of Garden City, Kansas

- h. **UTILITIES:** Tenant's responsibility **[see Section 6]**

- i. **INSURANCE LIMITS:** Comprehensive General Liability: \$2,000,000.00

The foregoing provisions shall be interpreted and applied in accordance with the other provisions of this Lease set forth below. The terms in this Section 1 shall have the meanings specified therefor, herein or therein, when used as capitalized terms in other provisions of this Lease.

2. **PREMISES.** Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby rents from Landlord, that certain real estate legally described on **Exhibit A** attached hereto (the "Premises").

3. **TERM.**

3.1 **Term.** This Lease is for a term which begins on the date "Effective Date" and which shall end on the day before the tenth (10th) anniversary of the Effective Date (the "Expiration Date"). This period is known as the "Term".

3.2 **Purchase Option.** Tenant shall have the option to purchase the real estate constituting the Premises. Tenant may purchase the Premises under this option at any time during the first five (5) years of the Term for \$1,000,000.00 and at any time during the second five (5) years of the Term for \$1,263,700.00. If Tenant desires to exercise Tenant's purchase option, Tenant shall send written notice of such exercise to Landlord not less than sixty (60) days prior to the closing.

a. Time for Closing. The closing on the purchase of the Property (the "Closing") will take place on a mutually agreeable date and time (the Closing Date) no later than sixty (60) days after the date of the purchase notice. The Closing will take place at the offices of a title insurance company chosen by Tenant.

b. Costs of Closing. The costs of the Closing shall be as set forth in **Exhibit B**, attached hereto and made a part hereof.

c. Method of Closing and Transfer. Landlord and Tenant will execute and deliver such documents necessary to effectuate the Closing, including, but not limited to, a special warranty deed, a settlement statement apportioning the Closing costs, and any other affidavits reasonable required by the title company (including FIRPTA affidavit from Landlord). Landlord will transfer title to the Property to Tenant or to a designee of Tenant by the Deed (as hereinafter defined). The Deed will be subject to only: (i) easements, restrictions, declarations, reservations, agreements, instruments and other matters of record, approved by Tenant, (ii) taxes and assessments, general and special, not then due and payable, (iii) rights of the public in and to the parts thereof in streets, roads or alleys, and (iv) those special exceptions matters showing on Schedule B of Tenant's title commitment and approved by Tenant (collectively, the "Permitted Exceptions"). Landlord agrees to reasonably cooperate with Tenant in causing the preprinted exceptions in and the standard requirements in Tenant's title commitment to be satisfied in all respects. At the Closing, Tenant will pay the purchase price by wire transfer.

d. Form of Closing Documents. The form of closing documents shall be as follows:

(i) Deed. Grantor will transfer the Property subject only to Permitted Exceptions, by means of a special warranty deed (the "Deed").

(ii) Title Policy. Tenant must receive an ALTA owner's title insurance policy, in form acceptable to Tenant and including such endorsements as desired by Tenant, as such proforma is shown on attached **Exhibit C** insuring Tenant will be the fee simple owner of the Premises upon delivery of the Deed and subject only to the exceptions shown on proforma.

4. **RENT.**

4.1 **Annual Rent.** The annual rent (the "Annual Rent") during the Term of this Lease shall be the amount of Fifteen Thousand Dollars (\$15,000.00). All rental payments shall be due and payable in advance on each anniversary of the Effective Date, to Landlord, 301 North Eighth, P. O. Box 998, Garden City, Kansas 67846, or at such other places as Landlord from time to time may designate in writing.

5. **TRIPLE NET LEASE.** Except as called out to be paid for by the City in that certain Flatland Project Development Agreement dated _____ as executed by Landlord and Tenant ("Flatland Agreement") or as abated as described in such Flatland Agreement, Tenant shall timely pay all taxes, insurance premiums, maintenance, repair, and replacement costs, and any and all other expenses or charges relating to the Premises during the Term of this Lease. In the event Landlord receives a bill or invoice for any of the foregoing, Landlord shall promptly forward such bill or invoice to Tenant. Landlord shall pay all those state, city, and county taxes due and owing with respect to the Premises accrued as of the Effective Date. Tenant shall pay all state, city, and county taxes, ad valorem or specific, on Tenant's personal property located at the Premises and all property erected or installed there by Tenant, regardless of whether such installations or improvements may be removed by Tenant at the expiration of the lease term. Tenant shall pay any and all license fees or other specific business taxes imposed by municipal, county, or state governments on conduct of Tenant's business.

6. **UTILITIES.** Except as called out to be paid for by the City in the Flatland Agreement, Tenant shall contract and pay for all utilities serving the Premises, including the restoration, repair, and alteration of utility lines, transformers, and all necessary utility components. Landlord shall not be liable nor shall Tenant be entitled to abate rent or pursue any other remedy or claim against Landlord as a result of any interruption in utility or other services, except where Landlord is negligent or engages in intentional misconduct.

7. **ASSIGNMENT & SUBLETTING.** Tenant shall be allowed to sublet or allow any party to occupy the Premises or any part thereof and Tenant shall be allowed to assign, transfer, pledge, mortgage, or otherwise encumber this Lease, or any portion of the term thereof.

8. **MAINTENANCE.** Except as called out to be paid for by the City in the Flatland Agreement, Tenant shall, at its expense, maintain in good condition and repair (including replacements where necessary) the Premises, including, without limitation, the roof, downspouts, exterior doors, windows and walls, mechanical, electrical and utility systems, foundation, structural parts and interior of any improvements located on the Premises, and the parking areas and landscaping on the Premises, subject to ordinary wear and tear.

9. **PERMITTED USE.** Tenant shall use and occupy the Premises for a USDA dairy dryer process plant or any other lawful use consistent with a dryer plant and no other use or purpose, and Tenant agrees for itself and its employees, agents, clients, customers, invitees, and guests to comply with the rules and conditions as outlined in this Lease. Tenant shall not make or permit to be made any use of the Premises which, directly or indirectly, is forbidden by law, ordinance, code, or other governmental regulation; nor shall Tenant do or permit to be done any act or thing upon the Premises which will be in conflict with all-risk insurance policies covering the building.

10. **ALTERATIONS AND IMPROVEMENTS.** Tenant shall be allowed to make any alterations, improvements, or additions to the Premises. During the Term of the Lease, the Tenant is the owner of all alterations, improvements or additions to the Premises. The work necessary for any alterations, improvements, additions, or signage to the Premises shall be done at Tenant's expense by contractors. Tenant shall promptly pay to Tenant's contractors, when due, the cost of all such work. Upon completion of such work, Tenant shall deliver to Landlord, if payment is made directly to contractors, evidence of payment, contractor's affidavits, and full and final waivers of all liens for labor, services, or materials. Tenant shall defend and hold Landlord harmless from all costs, damages, liens, and expenses related to such work. All work done by Tenant or its contractors shall be done in a good and workmanlike manner, using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies. All alterations, improvements, and additions to the Premises, whether temporary or permanent in character, made or paid for by Landlord or Tenant shall become Landlord's property at the termination of this Lease unless the option to purchase has been exercised by Tenant and the purchase has closed pursuant hereto (in such event Tenant shall continue to be the owner) and shall, unless Landlord requests their removal, be relinquished to Landlord in good condition, ordinary wear and tear excepted.

11. **INSURANCE.** Tenant, at Tenant's cost and expense, shall maintain commercial general liability insurance protecting and indemnifying Landlord and Tenant against any and all claims of liability for injury or damage to persons or property or for the loss of life or of property occurring upon, in or about the Premises caused by or resulting from any act or omission (in whole or in part) of Tenant, its employees, agents, servants, invitees, or guests in the amount of not less than \$2,000,000 combined single limit coverage for personal injury to any one person, including death and for

personal injury including death to more than one person arising out of any one occurrence and with respect to property damage. The foregoing insurance shall be maintained by Tenant throughout the term of this Lease, be issued by insurers rated at least "A-" and shall name Landlord an additional insured, as its interests may appear. On or before the Effective Date of this Lease and on each anniversary date thereafter, Tenant shall furnish Landlord with certificates evidencing the aforesaid insurance coverage and renewal policies or certificates. Tenant shall undertake no act or omission that will cause cancellation or invalidation of Tenant's insurance. If Tenant at any time during the term of this Lease should fail to secure or maintain the insurance required in this paragraph, Landlord shall be permitted to obtain such insurance in Tenant's name or as the agent of Tenant. Any amounts paid by Landlord for such insurance shall become immediately due and payable as rent by Tenant to Landlord, together with interest thereon from the date of payment by Landlord until paid by Tenant at the Default Rate. Any such payment by Landlord shall not be deemed to be a waiver of any other rights which Landlord may have under the provisions of this Lease as provided by law.

12. **WAIVER OF SUBROGATION.** Each of the parties hereto waive any claims each may have against the other for loss or damage to the respective property of the other, including the Premises or its contents, arising from a loss covered or which would be covered by the insurance required to be maintained hereunder, including, without limitation, the other's negligence. Without vitiating the parties' waiver, the parties covenant to obtain for the benefit of the other a waiver of any right of subrogation which a party or its insurer might otherwise have acquired against the other party for any loss covered by such insurance.

13. **DESTRUCTION OR DAMAGES.** In the event the improvements located on the Premises are destroyed or damaged by fire or other casualty, Tenant may, at Tenant's sole cost, risk, and expense, restore, repair, reconstruct, or replace the same forthwith in accordance with the plans pursuant to which they were originally constructed (or in accordance with plans approved by Landlord), and during the period of such restoration, there shall be no abatement of the Rent. If the Tenant elects to not restore, repair, reconstruct, or replace the improvements, the Lease will continue without abatement of the Rent until the end of the Term.

14. **HOLDING OVER.** Any holding over after the expiration of this Lease or any extension thereof, by lapse of time or otherwise, without the consent of Landlord, shall be construed to be a tenancy from year-to-year at an annual rent equal to one hundred twenty percent (120%) the rate payable for the year immediately preceding the commencement of said holding over and shall otherwise be on the terms and conditions herein specified, so far as applicable. The provisions of this Section shall not exclude Landlord's right of reentry or any other right hereunder. The acceptance by Landlord of any payment of Rent subsequent to the commencement of such retention of possession by Tenant shall not be deemed to constitute a waiver by Landlord of any of the provisions of this Section.

15. **INDEMNIFICATION OF LANDLORD.** Tenant agrees to indemnify and save harmless Landlord against and from, and to require any sub-tenant to indemnify and save harmless Landlord against and from, any and all claims, liabilities, losses, damages, and expenses (including attorneys' fees) incurred by Landlord arising out of or relating to (i) any act or omission of Tenant or any sub-tenant, or any of their agents, contractors, servants, invitees, employees or licensees, and (ii) any breach of this Lease by Tenant, except where Landlord engages in intentional misconduct or gross negligence. Tenant, as a material part of the consideration to Landlord, hereby assumes and agrees to require any sub-tenant to assume all risk of damage to property in or upon the Premises from any source and to whomever belonging, and Tenant hereby waives and agrees to require any sub-tenant to waive all claims in respect thereof against Landlord and agrees to defend and save Landlord harmless from and against, and require any sub-tenant likewise to agree to defend and save Landlord harmless from and against, any such claims by others.

16. **INDEMNIFICATION OF TENANT.** To the extent allowed by law, Landlord agrees to indemnify and save harmless Tenant against and from, any and all claims, liabilities, losses, damages, and expenses (including attorneys' fees) incurred by Tenant arising out of or relating to (i) any act or omission of Landlord, or any of its employees or elected officials, and (ii) any breach of this Lease by Landlord, except where Tenant engages in intentional misconduct or gross negligence. Under no circumstances shall Landlord incur liability in an amount in excess of the limits set forth in the Kansas Tort Claims Act, nor shall this Lease in any matter abrogate the immunities or liability exceptions for Landlord contained in the Kansas Tort Claims Act.

17. **SURRENDER OF POSSESSION.** Unless Tenant has exercised the option to purchase and the purchaser has closed hereto, upon the expiration of the Term or any extension thereof, or upon the termination of Tenant's right of

possession whether by lapse of time or at the option of Landlord as herein provided, Tenant shall forthwith surrender the Premises to Landlord in good order, repair and condition, ordinary wear and tear excepted. In such case any interest of Tenant in the alterations, improvements, and additions to the Premises made or paid for by Landlord or Tenant shall become Landlord's property at the termination of this Lease by lapse of time or otherwise. In such case at the termination of the term or of Tenant's right of possession, Tenant agrees to remove Tenant's property from the Premises. In such case Tenant shall pay to Landlord upon demand the cost of repairing any damage to the Premises caused by any such removal. In such case if Tenant shall fail or refuse to remove any such property from the Premises within fourteen (14) days after the expiration or earlier termination of this Lease, Tenant shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to Landlord without any cost (by set-off, credit, allowance or otherwise), and Landlord may at its option accept the title to such property or at Tenant's expense may (i) remove the same or any part in any manner that Landlord may choose, repairing any damage to the Premises caused by such removal, and (ii) store, destroy or otherwise dispose of the same without incurring liability to Tenant or any other person.

18. **DEFAULT AND REMEDIES.**

18.1 **EVENTS.** The occurrence of any of the following shall, at the option of Landlord, constitute a material default and breach of this Lease by Tenant ("Event of Default"):

- (i) Any failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant hereunder within thirty (30) days after Landlord's written notice;
- (ii) The abandonment or vacation of the Premises by Tenant;
- (iii) Any failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period Tenant shall commence such cure and thereafter diligently prosecute the same to completion;
- (iv) The making of any assignment by Tenant of the Premises, or part thereof, for the benefit of creditors, or should the Premises be taken under any levy of execution or attachment in execution against Tenant, and such levy, attachment, or assignment is not dismissed and discharged within thirty (30) days after written notice thereof given by Landlord to Tenant;
- (v) The filing of any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act against Tenant or the institution of any voluntary or involuntary proceeding in any court or tribunal to declare Tenant insolvent or unable to pay its debts, and the same shall not be dismissed or discharged within thirty (30) days after notice thereof in writing given by Landlord to Tenant; or
- (vi) Appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days or the attachment, execution or other judicial seizure of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

18.2 **RIGHT OF RECOVERY.** Upon the occurrence of any Event of Default, Landlord may pursue any remedies available to Landlord at law or in equity.

19. **SEVERABILITY.** In the event any provisions of this Lease be found to be contrary to law, or void as against public policy or otherwise, such provisions shall be either modified to conform to the law or considered severable with the remaining provisions hereof continuing in full force and effect.

20. **EXPENSES OF ENFORCEMENT.** Tenant shall pay upon demand all of Landlord's costs, charges, and expenses, including fees of counsel, agents, and others retained by Landlord, incurred in enforcing Tenant's obligations

hereunder or incurred by Landlord in any litigation, arbitration, negotiation, or transaction in which Tenant causes Landlord to become involved or concerned as a result of the relationship created hereby.

21. **EMINENT DOMAIN.** If the whole or a substantial part of the Premises hereby leased shall be taken by any public or quasi-public authority under the power of eminent domain so that such taking would render the use of the remainder unsuitable for Tenant's purposes, then the terms of this Lease shall cease on the part so taken from the date the possession of that part shall be required for any public purpose and the rent shall be paid up to that day, and from that day and for thirty (30) days thereafter Tenant shall have the right either to cancel this Lease and declare same null and void or to continue in the possession of the remainder of the same under the terms herein provided, except that the rent shall be reduced in proportion to the amount of the Premises taken. All damages awarded for such taking shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any portion of the award made to Tenant for moving expenses.

22. **BANKRUPTCY.** Neither this Lease, nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy, or to any other receiver or assignee for the benefit of creditors or otherwise by operation of law during the term of this Lease or any renewal or extension thereof.

23. **TRANSFER OF LANDLORD'S INTEREST AND PROHIBITION OF LANDLORD FURTHER AFFECTING TITLE.** Tenant acknowledges that Landlord has the right to transfer its interest in the Premises and in this Lease, and Tenant agrees that in the event of any such transfer Landlord shall not be released from all obligations under this Lease. During the Term hereunder, Landlord shall not execute, add or modify any encumbrances of record or that otherwise affect the Premises, including without limitation, the grant of any easements, covenants, restrictions or rights of way without Tenant's prior consent, which may be withheld in Tenant's sole discretion.

24. **WAIVER.** One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a further breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar act by Tenant.

25. **NOTICE.** Whenever under this Lease a provision is made for any demand, notice or declaration of any kind, or whether it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other party, it shall be deemed sufficient notice and service thereof if such notice to Tenant is in writing addressed to:

Tenant: Alex B. Bachelor
Senior Vice President and General Counsel
Dairy Farmers of America
10220 N. Ambassador Drive
Kansas City, Missouri 64153

with a copy to: David A. Fenley
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, Missouri 64112

Landlord: City of Garden City, Kansas
Attn: City Manager
P.O. Box 988
Garden City, Kansas 67846

with a copy to: Randall D. Grisell, City Attorney
Doering & Grisell, P.A.
124 Grant Avenue
Garden City, Kansas 67846

and served by hand delivery, overnight mail by a national carrier, or certified or registered mail and postage prepaid. Either party may, by like notice at any time and from time to time, designate a different address to which notices shall be sent.

26. **ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof, and no representation or agreement, oral or otherwise, not contained herein shall be binding upon the parties or otherwise have any force and effect.

27. **ESTOPPEL CERTIFICATE.** Tenant agrees that from time to time, upon not less than thirty (30) days prior request by Landlord, it will deliver to Landlord a duly executed Estoppel Certificate in the form reasonably required by Landlord.

28. **MEMORANDUMS.** The parties agree to execute and record a memorandum of lease and a memorandum of option to purchase acceptable in form to Tenant.

29. **REVIEW PERIOD.** For a period on the date that both parties have signed hereunder and ending on the thirtieth (30) calendar day after the second party to sign herein (such period, including any extension herein provided, being herein referred to as the "Review Period"), Tenant may perform, through agents or contractors of Tenant's choosing, any and all physical inspections (excluding further environmental assessments), reviews of title information and related documents, reviews of surveys and related information, reviews of environmental information, reviews of feasibility and cost of making improvements to the Premises based upon requirements of governmental authorities, and conduct such additional engineering and soil audits of and with respect to the Premises as Tenant deems appropriate. Landlord agrees that Tenant, and Tenant's employees, agents and contractors, shall have access and a license to enter onto the Premises for purposes of conducting physical inspections, assessments, and reviews. Tenant shall repair and restore any damage caused to the Premises by virtue of the privilege of access and inspection granted to it hereunder. If, in Tenant's sole and subjective discretion, based upon inspections and reviews as are hereinabove permitted, or for any other reason whatsoever, or if Tenant determines that the Premises is unsatisfactory to Tenant or that the lease with option to purchase of the Premises is no longer economically advantageous to Tenant, Tenant may by written notice to Landlord not later than expiration of the Review Period, terminate this Lease. Tenant may extend the initial Review Period for up to an additional thirty (30) business days by providing written notice of its election to extend the initial Review Period to Landlord on or before the day that is two (2) calendar days prior to expiration of the initial Review Period. Tenant requires a waiver of surface rights from the mineral and water rights owner associated with the Premises. Each such waiver shall be in form and substance satisfactory to Tenant in its sole discretion. Tenant is acquiring an ALTA leasehold policy and an option to purchase endorsement on the Premises. Landlord agrees to reasonably cooperate with Tenant in causing the preprinted exceptions in and the standard requirements in the leasehold/option to purchase commitment to be satisfied in all respects.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto execute this Lease effective as of the date first above written.

LANDLORD: CITY OF GARDEN CITY, a municipal corporation organized according to Kansas law

By: _____
Name: Janet A. Doll
Title: Mayor

WITNESS:

Date: _____

Celyn N. Hurtado
City Clerk

TENANT: MEADOWLARK DAIRY NUTRITION, LLC, organized and existing according to Delaware law

By: _____

Name: _____

Title: _____

Date: _____

WITNESS:

EXHIBIT "A"

PREMISES

A parcel of land located in the Government Lots 1, 2 and 3, and the Northeast quarter of Section 21, Township 24 South, Range 32 West of the 6th P.M., in Finney County, Kansas, being further described as follows;

Commencing at the North quarter corner of Section 21, T24S, R32W, thence $S00^{\circ}30'21''W$ on the quarter section line for a distance of 1,088.48 feet to the intersection of the quarter section line with the Southerly right-of-way line of the B.N.S.F. Railroad, said point being the POINT OF BEGINNING; thence $S76^{\circ}41'55''E$ on said right-of-way line for a distance of 1,564.07 feet to the beginning of a curve; thence Southeasterly on said right-of-way line on a curve having a radius of 11,409.19 feet, a Delta angle of $1^{\circ}13'19''$, a chord bearing of $S75^{\circ}50'08''E$, a chord distance of 243.34 feet, for an arc distance of 243.35 feet to a capped rebar stamped "Site Surveys LS 891"; thence $S00^{\circ}16'16''W$ for a distance of 746.45 feet to a found $5/8''$ rebar at the Northwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 750.06 feet to a found $1/2''$ rebar at the Southwest corner of the sewage treatment plant; thence $S00^{\circ}16'45''W$ for a distance of 1,100.00 feet to a capped rebar set; thence $N71^{\circ}53'53''W$ for a distance of 897.69 feet to a capped rebar set; thence $N06^{\circ}27'21''E$ for a distance of 52.42 feet to a capped rebar set; thence $N72^{\circ}21'07''W$ for a distance of 603.38 feet to a capped rebar set; thence $N75^{\circ}33'34''W$ for a distance of 500.13 feet to a capped rebar set; thence $S28^{\circ}46'36''W$ for a distance of 400.81 feet to a capped rebar set; thence $S87^{\circ}57'59''W$ for a distance of 105.71 feet to a capped rebar set; thence $N58^{\circ}12'36''W$ for a distance of 288.37 feet to a capped rebar set; thence $N77^{\circ}42'17''W$ for a distance of 169.81 feet to a capped rebar set; thence $S87^{\circ}25'19''W$ for a distance of 328.37 feet to a capped rebar set on the Easterly right-of-way line of U.S. Highway 83 By-Pass; thence $N34^{\circ}16'16''E$ on said right-of-way line for a distance of 632.02 feet to a capped rebar set (said point being the Point of Beginning of excluded parcel described below); thence $N21^{\circ}32'36''E$ on said right-of-way line for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ on said right-of-way line for a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ on said right-of-way line for a distance of 60.00 feet to a capped rebar set; thence $N77^{\circ}02'24''W$ on said right-of-way line for a distance of 301.50 feet to a capped rebar set; thence $N07^{\circ}06'17''E$ on said right-of-way line for a distance of 984.22 feet to a capped rebar set at the intersection of the Easterly right-of-way line of U.S. Highway 83 By-Pass and the Southerly right-of-way line of the B.N.S.F. Railroad; thence $S76^{\circ}41'55''E$ on the Southerly right-of-way line of the B.N.S.F. Railroad for a distance of 381.19 feet to the POINT OF BEGINNING, and INCLUDING the land south of the above described parcel to the North bank of the Arkansas River, and EXCLUDING the following parcel, BEGINNING at the point described above, thence $N21^{\circ}32'36''E$ for a distance of 784.80 feet to a capped rebar set; thence $N49^{\circ}34'36''E$ a distance of 449.80 feet to a capped rebar set; thence $N12^{\circ}57'36''E$ for a distance of 60.00 feet to a capped rebar set; thence $S77^{\circ}02'24''E$ for a distance of 213.08 feet; thence $S77^{\circ}02'24''E$ for a distance of 1,032.07 feet; thence $S77^{\circ}02'24''E$ for a distance of 63.67 feet; thence $S77^{\circ}02'24''E$ for a distance of 657.11 feet; thence $S77^{\circ}02'24''E$ for a distance of 199.32 feet, to the Point of Beginning, said excluded parcel contains approximately 15.9 acres. Said parcel containing approximately 156.1 acres, EXCEPT and excluding, however, all mineral rights and water rights.

Excluded tract has not been surveyed.

EXHIBIT "B"
COSTS OF CLOSING

EXHIBIT "C"
TITLE POLICY

Consent Agenda

July 21, 2015



First Bank

PO Box 67

Sterling, Ks. 67579

888-906-3125

620-278-3501 fax

steveb@first-bank.net

Dear Valued lease customer,

We would like to take this time to thank you for your recent lease business. Enclosed you will find the lease documents requiring your signature, please review and sign. Also, include a check payable to First Bank in the amount of \$3,400.00 for the advance payment.

We appreciate your business and the confidence you have placed in our bank.

First Bank also offers “lease to own” on both new and used equipment and vehicles with a term from 2 years to 5 years. At the end of the lease period, the municipality owns the equipment. This is a great cash flow tool to obtain needed equipment without having to budget the full cost of purchase.

Please contact us, whenever we may be of further assistance.

Cordially,

Steve Bonner, V.P.

STB:sc

LESSEE'S INSURANCE AGENT

AGENT: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE: _____

FAX: _____

PLEASE FILL OUT AND RETURN WITH LEASE DOCUMENTS.

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 28th day of July, 2015, by and between First Bank (hereinafter referred to as the "Lessor"), and City of Garden City with offices at PO Box 998 Garden City, KS 67846 (hereinafter referred to as "Lessee").

WITNESSETH:

In consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, the personal property set forth in the schedule (hereinafter referred to as "Schedule") executed by the parties concurrently herewith or at any time hereafter and made a part hereof, together with all repair and replacement parts, additions, substitutions, accessories, and accessories, and the like, now or hereafter incorporated therein and/or affixed to such personal property (hereinafter collectively referred to as the "Equipment")

Lessee alone has selected the Equipment and the supplier thereof. Lessor agrees to cause the Equipment to be ordered from the supplier, but Lessee agrees that Lessor shall not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order or meet the conditions thereof. Lessee agrees that it will make, at its own expense, all necessary inspections and test of the Equipment to determine if the Equipment is in compliance with the provisions of any applicable purchase agreement or order, and, if in compliance, Lessee shall accept each such item of Equipment on behalf of the Lessor, as delivered by the supplier. Lessee shall execute an Acceptance Certificate with regard to each item of Equipment. Lessor hereby authorizes Lessee to add to this Lease the serial number of, and/or any descriptive matter necessary or helpful in identifying, each item of the Equipment so delivered. Any delay in such delivery shall not affect the validity of this Lease, except as provided in Section 10 hereof.

Regardless of whether Lessee has executed an Acceptance Certificate, if within forty-eight (48) hours after Lessee has received an item of Equipment, Lessee has not given Lessor written notice of a defect therein or of other proper objection thereto, Lessee agrees that it shall be conclusively presumed as between Lessor and Lessee, that Lessee has fully inspected the Equipment, that the Equipment is in full compliance with the terms of this Lease and is deemed to be in good condition and repair, and that the Lessee has accepted it as satisfactory for the purpose of this Lease. Lessee hereby agrees to indemnify, defend, and save harmless Lessor from all claims, damages, actions, expenses (including attorney fees) and liabilities of any kind arising out of or connected with the failure or refusal of Lessee to accept, or the delay of Lessee in accepting, the Equipment.

2. TERM. The term of this Lease shall commence upon the date that the Acceptance Certificate is signed and dated and shall terminate upon the expiration of a number of months, or other calendar periods, set forth in the Schedule for the date thereof, unless sooner terminated as hereinafter provided.

3. RETURN OF EQUIPMENT. At the end of the term (and any renewal term) hereof, Lessee shall properly pack and return the Equipment, freight prepaid, at Lessee's risk and expense, to Lessor, at such place as Lessor may designate in the continental United States, in as good condition as existed at the commencement of the term, normal wear and tear excepted. In the event of default by Lessee under this Lease, or any termination or cancellation of the Lease as provided herein, Lessee shall return all equipment to Lessor in the same manner.

4. NO WARRANTIES BY LESSOR. LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE CONDITION, DESIGN, OR QUALITY OF THE EQUIPMENT; THE FITNESS OF THE EQUIPMENT FOR USE OR FOR A PARTICULAR PURPOSE; THE MERCHANTABILITY OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS OR CONTRACTS PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS; THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO; THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. NO DEFECT OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR OF ANY OTHER OBLIGATION UNDER THIS LEASE. THE LESSEE ALSO ACKNOWLEDGES THAT THE LESSOR HAS MADE NO REPRESENTATION OR WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESSED OR IMPLIED, WITH RESPECT TO THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT.

LESSOR SHALL HAVE NO LIABILITY TO LESSEE OR ANY PERSON WHOMSOEVER FOR ANY CLAIM, LOSS, DAMAGE, OR EXPENSE (INCLUDING ATTORNEY FEES) OF ANY KIND OR NATURE, WHETHER SPECIAL, CONSEQUENTIAL, ECONOMIC OR OTHERWISE, CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALLY, OR CONSEQUENTIALLY BY THE EQUIPMENT OR ANY PART THEREOF OR PRODUCTS THEREFROM, BY ANY INADEQUACY OF THE EQUIPMENT OR DEFECT OR DEFICIENCY THEREIN, BY ANY INCIDENT WHATSOEVER ARISING IN STRICT LIABILITY OR OTHERWISE FROM LESSOR'S OR LESSEE'S NEGLIGENCE OR OTHERWISE, BY THE USE OR MAINTENANCE THEREOF, OR FOR REPAIR, SERVICING OR ADJUSTMENT THERETO, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, OR ARISING OUT OF THIS LEASE. LESSEE SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, COSTS, EXPENSES, DAMAGES, LOSSES, LIABILITIES INCURRED OR SUFFERED BY THE LESSOR, LESSEE, OR ANY OTHER PARTY IN CONNECTION WITH THE DELIVERY, OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT, OR AS A RESULT OF ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). FURTHER, LESSEE UNDERSTANDS AND AGREES THAT THERE SHALL BE NO ABATEMENT OF RENT DURING ANY PERIOD OF BREAKDOWN OR NONUSE OF THE EQUIPMENT.

5. RENTALS. During and for the original term hereof, and any renewal periods if any, Lessee hereby unconditionally agrees to pay Lessor, as and for rent of the Equipment, the total amount specified in the Schedule, being the monthly (or other indicated calendar period) rent multiplied by the number of months (or periods specified in the Schedule). The first rent payment, unless required to be paid in advance, shall be made on the commencement date as set forth in the Schedule. Subsequently, monthly (or other period) rent payments shall be due in advance on the same day of subsequent months (or other calendar periods) as the commencement date of this Lease. All payments shall be made at the office of the Lessor as set forth herein, or as otherwise directed by the Lessor in writing.

6. NET LEASE - NO OFFSET. This Lease is a net lease and all rent payments and other payments required to be paid by Lessee hereunder are absolute, unconditional and shall not be subject to any abatement, reduction, set-off, counterclaim, recoupment, defense or other right which Lessee may have against the supplier of the Equipment or any other party, including Lessor.

7. TAXES AND EXPENSES PAID BY LESSEE. Lessee, at its expense, shall obtain such licensing and registration of the Equipment as shall be at any time required by law and Lessee shall pay and discharge when due all license fees, registration fees, charges, taxes (federal, state and local) and assessments (and interest and penalty, if any thereon) which may be levied, directly or indirectly, against the Equipment or any interest therein or with respect to the ownership, possession or use thereof whether such taxes or charges are levied against Lessor or Lessee. Such taxes or charges to be paid by Lessee shall include, without limitation, property, sales, rent, and use taxes, and any other tax measured by the gross rent payable hereunder, but shall not include net income or franchise taxes, if any, payable by Lessor. If such taxes are levied against Lessor, Lessor shall notify Lessee of such fact. Lessor shall have the right but not the obligation, to pay any such taxes, whether levied against Lessor or Lessee.

In such event, Lessee shall reimburse Lessor therefore within five (5) days after receipt of invoice, and in the event Lessee shall fail to make any such reimbursement when due, Lessor shall have all remedies provided herein with respect to the nonpayment of the rental hereunder. Lessee, at its expense, shall pay any and all other charges related to the Equipment, including but not limited to, its registration, rental, shipment, transportation, delivery, installation, operation and/or removal. If any such charges are levied against Lessor, Lessor shall notify Lessee of such fact. Lessor shall have the right, but not the obligation, to pay any such charges, whether billed to Lessor or Lessee. In such event, Lessee shall reimburse Lessor therefore within five (5) days after receipt of invoice, and for the failure to make such reimbursement when due, Lessor shall have all remedies provided herein with respect to the nonpayment of the rental hereunder.

8. SECURITY DEPOSIT. At the Lessor's option, any security deposit made hereunder may be applied by Lessor to cure any default of Lessee in which event Lessee shall promptly restore the security deposit to its full amount as set forth in the Schedule. IF ALL THE CONDITIONS HEREIN ARE FULLY COMPLIED WITH, AN AMOUNT EQUAL TO THE SECURITY DEPOSIT SHALL BE REFUNDED, WITHOUT INTEREST, TO THE LESSEE WITHIN THIRTY (30) DAYS AFTER THE RETURN OF THE EQUIPMENT TO THE LESSOR.

9. ERRORS IN ESTIMATED COST - CHANGE IN RENTAL. As used herein, Actual Cost means the cost to Lessor of purchasing and delivering the Equipment to Lessee including taxes, transportation charges and other charges. The amount of each rent payment, the security deposit, and the renewal rental initially set forth in the Schedule are based on an estimate of Actual Cost, and if the Actual Cost of the Equipment differs from the estimate, then each rent payment shall be adjusted proportionally. Lessee hereby authorizes Lessor to correct this figure set forth in the Schedule when the Actual Cost is known, and to add to the amount of each rent payment any sales or other tax that may be imposed on or measured by rent payments.

10. USE. Lessee shall use the Equipment only for lawful purposes and those purposes intended by the manufacturer and shall comply with all laws, ordinances and regulations relating to the use, operation or maintenance of the Equipment. Further, Lessee shall exercise due and proper care in the use, repair and servicing of the Equipment and at all times and at its expense shall keep and maintain the Equipment in good working condition, order and repair. Lessee shall make no alteration to the Equipment without the prior written consent of the Lessor. All replacement parts incorporated in or affixed to the Equipment after the commencement of this Lease shall become the property of the Lessor and shall be returned with the Equipment in accordance with the terms of this Lease.

Lessee covenants and agrees that the Equipment is, and at all times shall be and remain, personal property and at no time shall the Equipment become a fixture.

11. PLACE OF USE; WAIVER OF LANDLORD'S LIEN. Lessee shall keep the Equipment at its place of business as specified in the Schedule, which location must at all times be maintained in a manner consistent with the specifications and recommendations of the manufacturer of such Equipment. Lessee warrants that the Equipment will not be moved from the address as set forth as the location on the Schedule without Lessor's prior written consent. Lessee covenants and agrees not to allow the use of the Equipment by other than the employees of Lessee while on Lessee's business and such employee(s) shall be trained to use the Equipment in a manner consistent with the manufacturer's specifications and recommendations. Further, Lessee covenants and agrees not to rent or sublet the Equipment or any part thereof to others. If Lessee is the lessee or tenant of any premises in which the Equipment is at any time to be located, Lessee shall obtain from its Landlord, and deliver to Lessor, a written waiver of all liens against the Equipment prior to the time that the Equipment is installed or placed therein.

12. RISK OF LOSS AND DAMAGE. Lessee hereby assumes and shall bear the entire risk of loss, theft, damage and destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of Equipment shall relieve Lessee of the obligation to pay rent or any other obligation of this Lease. Lessee shall promptly notify Lessor in writing of any such loss, theft, damage or destruction of the Equipment. In the event of any such occurrence, Lessee, at the option of Lessor, shall at Lessee's expense (a) place the same in good repair, condition and working order, or (b) replace the same with like equipment of the same or later model in good repair, condition and working order, or (c) pay Lessor therefore in cash the "Stipulated Loss Value" as defined herein. The "Stipulated Loss Value" shall be the then existing fair market value of the Equipment determined by including its "re-sale" value, plus its fair rental value. Upon such "Stipulated Loss Value" payment, this Lease shall terminate with respect to such item of Equipment so paid for, and Lessee thereupon shall become entitled to such item of Equipment as-is-where-is, without warranty, expressed or implied, with respect to any matter whatsoever.

13. INSURANCE. Lessee shall obtain and maintain for the entire term of this Lease, at its own expense, property damage and liability insurance against loss or damage to the Equipment including, without limitation, loss by fire (including so-called extended coverage, theft, collision and such other risks of loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Lessee is engaged), in such amounts, in such form and with such insurers as shall be satisfactory to Lessor; provided, however, that the amount of insurance against loss or damage to the Equipment shall not be less than the greater of the full replacement value of the Equipment or the installments or rent then remaining unpaid hereunder. The insurance policy shall insure the Equipment from time of its shipment by the supplier. Each insurance policy shall name Lessee as an insured and Lessor as additional insured and loss payee thereof as their interest may appear, and shall contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. Lessee shall furnish to Lessor certificates of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect during the entire term of this Lease. Lessee shall have no pro rata interest in any such policies or the proceeds thereof. Subject to the provision of Section 13 with regard to risk of loss, and without limiting such provisions in the case of any loss or damage covered by insurance, and only to the extent that such loss or damage is covered by such insurance, the proceeds of such insurance shall be applied at the option of Lessor (a) toward the replacement, restoration, or repair of any of the Equipment which may be lost, stolen, destroyed or damaged, or (b) toward the obligations of Lessee for rent hereunder, applied in inverse order in which the rent is to become due. In the event Lessor elects to apply insurance proceeds to the repair or to the replacement of damaged equipment, this Lease shall continue in full force and effect. In the event the Lessor elects to apply insurance proceeds to the payment of Lessee's obligations for rent hereunder, the Lessee's obligations for rent hereunder shall be reduced by the amount of such insurance proceeds, but, subject to the provisions hereof, the Lessee shall be liable to pay additional rents due. Such reduction of rents shall be allocated solely to the item or items lost, stolen, damaged or destroyed. Any amounts received by Lessee under such policies which are not used for the replacement, restoration or repair of said Equipment shall be paid to Lessor and shall reduce Lessee's obligation to pay rental hereunder pro tanto.

Lessee shall at all times carry and maintain public liability insurance, and any and all other insurance required hereunder, with responsible companies satisfactory to Lessor, in form and amounts satisfactory to Lessor, insuring against liability which Lessee or Lessor may incur by reason of the operation of any of the Equipment. All such policies shall name Lessor as an additional insured.

Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make any claim for, to receive payment for, and to execute, negotiate and endorse any documents, checks or other instruments in connection with any event giving rise to a payment or claim pursuant to any insurance policy described herein. Additionally, in the event Lessee fails to obtain in a timely fashion any insurance required pursuant to this paragraph, then Lessor may obtain such, at Lessee's expense, and Lessee hereby appoints Lessor as Lessee's attorney-in-fact for such purposes.

14. ESCROW. Lessor may, at its option, at any time require Lessee to pay sufficient funds into a separate escrow account maintained by Lessor for Lessee's account, to assure the future payment of any insurance premiums, taxes, license fees or other assessments referred to herein.

15. TITLE, IDENTIFICATION, PERSONAL PROPERTY. All the Equipment shall remain personal property, notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to any real property or any improvements thereon. The title to the Equipment shall remain in the party designated as Owner on the Schedule (herein "Owner"). No right, title or interest in the Equipment shall pass to Lessee other than, conditioned upon Lessee's compliance with the terms and conditions of this Lease, the right under the terms hereof to maintain possession of, and use the Equipment for lease term. Lessor may require plates, labels or markings to be affixed to or placed on the Equipment indicating Lessor's interest. If Lessor supplies Lessee with such plates, marking or labels, Lessee shall label any and all items of Equipment and shall keep the same affixed in a permanent and prominent place. In the event Lessor does not furnish such labels, plates or markings to Lessee within thirty (30) days from the commencement date hereof, Lessee shall attach its own labels, plates or markings to the Equipment indicating ownership thereof by Owner. Lessee agrees not to sell, assign, sublet, pledge, hypothecate, or otherwise encumber or suffer a lien or other encumbrance upon or against any interest in this Lease or the Equipment or to remove the Equipment from its place of installation without Lessor's prior written consent.

Lessee shall give Lessor immediate notice of any attachment or other judicial process, lien or encumbrance, affecting the Equipment and shall indemnify and save Lessor harmless from any loss or damage caused thereby. Lessee shall at its own expense, protect and defend Owner's title to the Equipment and Lessor's interest in the Equipment against all persons claiming against or through Lessee.

16. LATE CHARGES, ATTORNEY FEES, ETC. Delinquent installments of rental shall bear interest at the highest lawful rate. In addition and if allowable by law, Lessee shall pay Lessor with respect to any delinquent installment, or part thereof, a service charge equal to five (5%) percent of the delinquent amount, or Two and 50/100 (\$2.50) Dollars, whichever is greater. In the event Lessor employs attorneys to enforce the obligations hereunder or to collect monies due hereunder and/or to recover the possession of the Equipment, Lessee shall pay to the Lessor all reasonable attorney fees incurred in connection therewith. Further, Lessee shall pay all of Lessor's costs of collection of any such monies or repossession of such Equipment, whether this Lease is placed in the hands of any attorney or not.

17. FILING AS TRUE LEASE; SECURITY INTEREST. Lessee shall execute any such documents for financing statements as Lessor deems to be necessary or advisable and shall otherwise cooperate to defend the title and interest of Lessor and Owner to the Equipment. Lessee agrees to pay all costs of preparing and filing any such documentation. With respect to any financing statement, and/or continuation statement, the terms "debtor", and "secured party", and "collateral" on such UCC filing forms shall also be read to mean "Lessee", "Lessor" and "Leased Equipment", respectively. Lessor and Lessee agree that this is a true Lease transaction. It is expressly agreed and understood that any filings of this Lease, and/or financing statements, and/or continuation statements, shall not be deemed to affect the nature of this Lease as a true and bona fide equipment lease, but rather to give notice to all interested parties of the Lessor's absolute interest in the property. However, because the judicial decisions in this area of law are uncertain, and on advice of legal counsel, the parties have filed (or recorded) a financing statement(s) and have paid tax, fees, or documentary stamps thereon. In the event a court of proper jurisdiction should at any time in the future determine that the transaction between Lessor and Lessee is not a true leasing transaction, then it shall be presumed that the Lessee has hereby granted the Lessor a security interest in such Equipment, and that such filings were made to perfect the security interest.

Finally, to further secure Lessee's obligations under this Lease, Lessee hereby grants a security interest to Lessor, perfected by possession, in all monies, accounts, balances and other properties of Lessee in Lessor's possession.

18. RIGHT OF INSPECTION. The Lessor, its agents and representatives, shall have the right at any time during usual business hours to inspect the Equipment and for that purpose to have access to the location of the Equipment.

19. NON-WAIVER. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's rights thereafter to demand strict compliance therewith or with any other provision herein. Waiver of any default shall not be deemed a waiver of any other default. Lessor's rights hereunder are cumulative and not alternative.

20. POSSESSION. Lessor covenants to and with Lessee that conditioned upon Lessee continually performing each and every condition hereof, Lessee shall peaceably and quietly hold, and use the Equipment, during the term without hindrance.

21. INDEMNITY. In addition to any other provisions herein, Lessee does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor, its agents and servants and any assigns from and against, any and all losses, damages, injuries, claims, demands and all expenses, legal or otherwise (including court costs and attorney fees), of whatsoever kind and nature arising on account of any reason whatsoever, including but not limited to, the selection, purchase, delivery, possession, maintenance, leasing, return, use, condition (including, without limitation, latent and other defects and whether or not discoverable by the Lessee or the Lessor) or resulting from the operation of the Equipment or any part thereof, and by whomsoever used or operated, during the continuance of this Lease. The indemnities and assumptions of liability contained in this Section shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against, and Lessee shall be entitled to control the defense thereof.

22. TAX BENEFITS. Lessee acknowledges that unless otherwise agreed by Lessor, Lessor intends to claim all available tax benefits of ownership with respect to the Equipment (the "Tax Benefits"), including, but not limited to cost recovery deductions as provided in Section 168 of the Internal Revenue Code of 1965, as amended (the "Code") with respect to each item of Equipment for each of Lessor's taxable years during the Rental Term. Notwithstanding anything herein to the contrary, if Lessor shall not be entitled to, or shall be subject to recapture of, the Tax Benefits, as a result of any act, omission or misrepresentation of Lessee, Lessee shall pay to Lessor upon demand an amount or amounts sufficient to reimburse Lessor for such loss, together with any related interest and penalties, based on the highest marginal corporate income tax rate prevailing during the Lease Term, regardless of whether Lessor or any member of a consolidated group of which Lessor is also a member is then subject to any increase in tax as a result of such loss of Tax Benefits.

23. DEFAULTS AND REMEDIES. The following events (each an "Event of Default") shall constitute Events of Default:

- (a) Lessee fails to pay any rent or other amount herein provided within three (3) days, after the same is due and payable;
- (b) Lessee fails to observe, keep or perform any provision of this Lease required to be observed, kept or performed by Lessee;
- (c) Lessee ceases doing business as a going concern;
- (d) A petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or an arrangement);
- (e) A receiver is appointed for Lessee or its property;
- (f) Lessee commits an act of bankruptcy, becomes insolvent, or makes an assignment for the benefit of creditors;
- (g) Lessee attempts to remove, sell or transfer the Equipment;
- (h) Lessee, without Lessor's prior written consent, attempts to sublet the Equipment;
- (i) Lessee is in default to Lessor or Lessor's Assignee (as hereafter defined) under the terms of any obligation; or
- (j) Entry of a judgment against Lessee in excess of Twenty-Five Thousand Dollars (\$25,000.00).

Upon occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may declare this Lease in default. Such declaration shall be made by written notice mailed to Lessee at the address specified as Lessee's address above. Upon the mailing of such notice, Lessee hereby authorizes Lessor at any time and from time to time to enter upon, with or without legal process, any premises where the Equipment may be located and take possession thereof at Lessee's expense. Additionally, upon the mailing of the notice declaring the Lease in default, Lessee, without further demand, shall pay to Lessor an amount equal to any unpaid rentals or other monies due on or before Lessor's declaring the Lease to be in default, plus as liquidated damages for loss of bargain, and not as a penalty, an amount equal to the total of all rentals remaining to be paid under the lease if no default occurred. Thereupon, Lessor shall (i) sell the Equipment at a private or public sale, in bulk or in parcels, with or without notice, and at Lessor's option, without having to have the Equipment present at the place of sale, or (ii) lease, otherwise dispose of or keep idle all or part of the Equipment subject, however, to its obligation to mitigate damages, and (iii) at Lessor's option, use Lessee's premises for any or all of the foregoing without cost, damages or otherwise. The proceeds of sale, lease or other disposition of the Equipment shall be applied first (1st) to all of Lessor's costs incurred in obtaining possession of and selling the Equipment, then second (2nd) to any unpaid sums or monies due Lessor under the Lease, including unpaid rentals, costs and any indemnification then remaining unpaid, then third (3rd) to the liquidated damages due Lessor under this Lease, and any surplus funds shall be retained by Lessor.

No remedy provided herein is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity.

Lessee shall pay Lessor all costs and expenses, including reasonable attorney's fees, incurred by Lessor in exercising any of its rights or remedies hereunder.

The exercise of any of the remedies provided herein shall not be deemed to constitute a termination of this Lease unless Lessor so notifies Lessee in writing.

24. ASSIGNMENTS. Neither this Lease nor Lessee's rights hereunder shall be assignable by Lessee except with Lessor's written consent. Lessor shall have the unqualified right to assign this Lease or any part hereof. Additionally, should the Owner as listed on the Schedule be any party other than Lessor, the Lessee understands that prior the execution of this Lease Lessor has agreed to lease the Equipment from Owner, and that this Lease constitutes a sublease of the Equipment to Lessee. Lessee understands in such case that Lessor, immediately upon execution of the Acceptance Certificate relating to this Lease, shall assign and transfer to Owner this Lease and any and all of Lessor's interest in the Equipment and Lease.

For the purpose of this Lease, whenever a party receives an assignment and transfer of this Lease from Lessor that party shall herein be referred to as "Lessor's Assignee".

The right of Lessor's Assignee to receive the rentals hereunder, as well as any other right of Lessor's Assignee, shall not be subject to any defense, set-off, counterclaim, or recoupment of Lessee against Lessor of any kind whatsoever.

Following any such assignment, the term "Lessor" as used herein shall be deemed to mean and refer to Lessor's Assignee.

25. FINANCIAL STATEMENTS. On written request by Lessor, Lessee shall annually, within ninety (90) days after the close of Lessee's fiscal year, furnish to Lessor financial statements of Lessee (including a balance sheet as of the close of such year and income and surplus statements for such year) prepared in accordance with generally accepted accounting principles and certified by Lessee's independent public accountants. If required by Lessor, Lessee shall also provide quarterly financial statements of Lessee, similarly prepared for each of the first sixty (60) days following the end of the quarter. Further, if required by Lessor, Lessee shall also provide quarterly written certification from that Lessee is not in default under any term of this Lease.

26. NATURE OF TRANSACTION. Lessee hereby acknowledges and represents that the lease transaction evidenced by this Agreement creates, and shall continue to be, a true and bona fide equipment lease under all applicable laws of the state in which the Owner has its principal place of business. In the event that it were alleged and/or determined for any purpose that the transaction evidenced by this Agreement is other than a true and bona fide equipment lease, Lessee shall indemnify, protect, save and keep harmless the Lessor from and against any and all losses, damages, injuries, claims, demands and other expenses, legal or otherwise (including court costs and attorney fees), or whatsoever kind or nature, as a result of such allegation or determination.

27. CHOICE OF LAW. This Agreement shall be deemed to have been made and entered into and shall be governed by the laws of the state in which the Owner, as shown in Section G. on the Schedule of this Lease, has its principal place of business.

28. SEVERABILITY. If any provision hereof, or any remedy herein provided for be invalid under any applicable law, such provision shall be inapplicable and deemed omitted, but the remaining provisions hereof, including remaining default remedies, shall be given effect in accordance with the manifest intent hereof.

29. PROVISIONS BINDING. It is further understood and agreed that all rights and liabilities herein given or imposed on either of the parties hereto shall be binding upon the successors and assigns of the parties to this Lease, except as otherwise provided herein.

30. MISCELLANEOUS. All notices relating hereto shall be mailed to Lessor or Lessee at the respective addresses shown on the Schedule. This Lease is irrevocable for the full term hereof and for the aggregate rental herein reserved, and the rent shall not abate by reason of termination of Lessee's right of possession and/or taking of possession by Lessor or for any other reason. In the event this Lease is assigned by Lessor, Lessor's Assignee shall give Lessee notice of its address.

31. JOINT AND SEVERAL LIABILITY. If more than one Lessee is named in this Lease, the liability of each shall be joint and several.

32. DESCRIPTIVE HEADINGS. The descriptive headings of the various Sections of the Lease and any Schedule executed with reference thereto are inserted for convenience of reference, do not constitute a part of this Lease or any Schedule and no inference is to be drawn therefrom.

33. SEVERABILITY AS TO EQUIPMENT. Upon delivery to Lessee of less than all of the Equipment, this Lease shall be operative as to that part of the Equipment so delivered at the time of delivery, with rental and renewal rental reduced to that attributable to such part of the Equipment.

34. FURTHER ASSURANCES. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose of this Lease.

35. DEFINITIONS. Where appropriate in this Lease, words used in the singular shall include the plural, and words used either in the masculine or feminine or neuter shall include the other two genders.

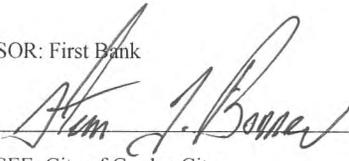
36. ENTIRE AGREEMENT; WAIVER. This document and the Schedule constitute the entire agreement between the parties. This Lease cannot be modified except by a writing signed by all parties hereto. No supplier or agent thereof is authorized to bind Lessor or to waive or to modify any term hereof. No waiver by Lessor of any provision hereof shall constitute a waiver of any other matter.

37. NONAPPROPRIATION. Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

LESSEE HAS READ AND APPROVED ALL PAGES COMPRISING THIS LEASE AND HEREUPON HAS ENTERED IN THIS LEASE.

As of the day and year first above written.

LESSOR: First Bank

By: 

LESSEE: City of Garden City

By: _____

Janet Doll, Mayor

By: _____

J. Christopher Law, Councilman

By: _____

Celyn Hurtado, City Clerk

EQUIPMENT LEASE SCHEDULE No. A

This Equipment Lease Schedule is executed 07/28/2015, by the parties whose signature is affixed below as a Schedule to that certain Lease Agreement between the parties hereto dated 07/28/2015 (herein "Lease"). This Schedule contains additional terms and provisions which are an integral part of the Lease.

A. Equipment Leased:

| Quan | EQUIPMENT MODEL SERIAL NUMBER/DESCRIPTION | PRICE |
|----------------------|---|--------------|
| 1 | 2015 Bobcat S650 T4 Loader with Bucket and Pallet Forks, S/N ALJ814600. | 35619.52 |
| Total Equipment Cost | | \$ 35,619.52 |

- B. TERM:** Unless sooner terminated as set forth in the Lease, the term of this Lease respecting each item of equipment listed on this Schedule expires on the expiration of 12 months from the date the Acceptance Certificate is signed.
- C. RENT:** Except as otherwise provided in the Lease or in this Schedule, said rent shall be payable as follows:
1 rentals of \$ 3,400.00 beginning 07/28/2015 with a final rental due 07/28/2016.

THIS IS A NONCANCELABLE LEASE AND ALL RENTALS ARE ABSOLUTE AND UNCONDITIONAL OBLIGATIONS OF LESSEE. Unless sooner paid, all said rent shall be payable in any event on or before the expiration or sooner termination of this Lease.

D. LOCATION: The above described equipment shall be located at

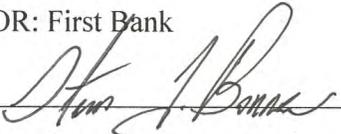
PO Box 998
Garden City, KS 67846
County

and shall not be removed therefrom without the prior written consent of Lessor.

- E. DEPOSIT:** None, pursuant to paragraph 8 of the Lease of which this Schedule is part.
- F. SPECIAL CONDITIONS:** (1) advance rental(s) are due on the execution of the Acceptance Certificate, with one advance rental applied to the first lease payment, (2) Lessee is hereby given an option to purchase the Equipment at the end of the lease term for \$ 33,611.67.
- G. OWNER:** The Equipment leased herein is owned by First Bank (referred to in the Lease as "Owner").
- H. Lessor does not provide tax information or advice.** During the negotiation and execution of this lease, Lessor has not provided Lessee with any advice or counsel regarding the tax effect of this transaction on Lessee or anyone else. By initialing, Lessee is acknowledging that Lessee has not received such advice from Lessor and that Lessee will not claim Lessor has ever provided any such information or advice.

(____ Initials)

APPROVED AND AGREED TO by the parties below.

LESSOR: First Bank
By: 

LESSEE: City of Garden City
By: _____
Janet Doll, Mayor

By: _____
J. Christopher Law, Councilman

By: _____
Celyn Hurtado, City Clerk

MUNICIPAL LEASE ACCEPTANCE CERTIFICATE

This Acceptance Certificate is executed in connection with that certain Municipal Lease dated as of 07/28/2015 ("Lease") between First Bank, as Lessor, and the undersigned, as Lessee. The terms used herein, which are defined in the Lease, shall have the same meanings as are provided therefore in this Agreement.

Lessee hereby represents, warrants, and confirms to Lessor that this Equipment described below has been duly delivered to Lessee at the premises referred to in the Municipal Lease Schedule dated 07/28/2015, that Lessee has duly inspected the Equipment and that Lessee hereby accepts the Equipment for all purposes of the Lease as being in accordance with specifications, properly installed and/or assembled, in good working order, repair and appearance and without defect in condition, design, operation or fitness for use, whether or not discoverable by Lessee as of the date, provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Equipment against the seller or any manufacturer of the Equipment or any part thereof.

LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE CONDITION, DESIGN, OR QUALITY OF THE EQUIPMENT; THE FITNESS OF THE EQUIPMENT FOR USE OR FOR A PARTICULAR PURPOSE; THE MERCHANTABILITY OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS OR CONTRACTS PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS; THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO; THE OPERATION, USE, OR PERFORMANCE OF THE EQUIPMENT; OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE LESSEE ALSO ACKNOWLEDGES THAT THE LESSOR HAD MADE NO REPRESENTATION OR WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, WITH RESPECT TO THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT.

LESSOR SHALL HAVE NO LIABILITY TO LESSEE OR ANY PERSON WHOMSOEVER FOR ANY CLAIM, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEY FEES) OF ANY KIND OR NATURE, WHETHER SPECIAL, CONSEQUENTIAL, ECONOMIC OR OTHERWISE, CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY BY THE EQUIPMENT OF ANY PART THEREOF OR PRODUCTS THEREFROM, BY ANY INADEQUACY OF THE EQUIPMENT OR DEFECT OR DEFICIENCY THEREIN, BY ANY INCIDENT WHATSOEVER ARISING IN STRICT LIABILITY OR OTHERWISE FROM LESSOR'S OR LESSEE'S NEGLIGENCE OR OTHERWISE, BY THE USE OR MAINTENANCE THEREOF, OR FOR REPAIR, SERVICING OR ADJUSTMENT THERETO, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, OR ARISING OUT OF THIS LEASE. LESSEE SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, COSTS, EXPENSES, DAMAGES, LOSSES, LIABILITIES INCURRED OR SUFFERED BY THE LESSOR, LESSEE OR ANY OTHER PARTY IN CONNECTION WITH THE DELIVERY, OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT, OR AS A RESULT OF ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). FURTHER, LESSEE UNDERSTANDS AND AGREES THAT THERE SHALL BE NO ABATEMENT OF LEASE PAYMENTS DURING ANY PERIOD OF BREAKDOWN OR NONUSE OF THE EQUIPMENT. DESCRIPTION OF EQUIPMENT:

2015 Bobcat S650 T4 Loader with Bucket and Pallet Forks, S/N ALJ814600.

LESSEE: City of Garden City

DATED: _____

By: _____
Janet Doll, Mayor

Title: _____

By: _____
J. Christopher Law, Councilman

Title: _____

By: _____
Celyn Hurtado, City Clerk

Title: _____

TO:

07/28/2015

First Bank
128 S. Broadway
Sterling, KS 67579

RE: INSURANCE COVERAGE

Gentlemen:

This is to advise you that, in connection with our acquisition of equipment under lease with you, the following Insurance Agent has been instructed to have you designated as a loss payee and an additional insured, and provide you with liability insurance of at least \$ 500,000.00 under our insurance on the equipment.

Our agent will forward to you, immediately upon delivery of the equipment, loss payee and additional insured endorsements, proof of your liability insurance, and/or insurance policies, or the certificate of insurance or notice of impending coverage.

Equipment Description: 2015 Bobcat S650 T4 Loader with Bucket and
Pallet Forks, S/N ALJ814600.

Total Equipment Cost: \$ 35,620.00

FROM: City of Garden City

By: _____
Janet Doll, Mayor

By: _____
J. Christopher Law, Councilman

By: _____
Celyn Hurtado, City Clerk



MEMORANDUM

TO: GOVERNING BODY

FROM: Steve Cottrell

DATE: 28 July 2015

RE: MARY STREET LIFT STATION REHABILITATION

Engineering Department

ISSUE

Governing Body consideration and acceptance of bids received July 28, 2015 for rehabilitation of the sanitary sewer lift station at W. Mary Street and Boots Road.

Steven F. Cottrell, P.E.,
City Engineer

BACKGROUND

The project converts the 33 year existing suction pump lift station to a submersible pump wetwell installation; this work is what will be done at the lift station at Campus Drive and Harding Street.

C.W. Harper, P.E.
Project Engineer

Two bids were received, with the low bid from Dreiling Construction, LLC for \$92,574.00, which is under the engineer's estimate of \$130,000.00.

ALTERNATIVES

The Governing Body must reject the bid, or defer action until a later date.

RECOMMENDATION

Staff recommends accepting the bid and awarding the contract to Dreiling Construction, LLC in the amount of \$92,574.00, and authorizing the Mayor and City Clerk to execute the contracts when the documents are returned by the contractor.

FISCAL

Funding for this project is in the 2015 Water & Sewer budget, in line item 080-31-311-6040.16.

CITY ADMINISTRATIVE
CENTER
301 N. 8TH
P.O. Box 998
GARDEN CITY, KS
67846-0998
620.276.1130
FAX 620.276.1137
www.garden-city.org

A handwritten signature in cursive script that reads "Steve Cottrell".

**CITY OF GARDEN CITY, KANSAS
ENGINEERING DEPARTMENT**

SUMMARY OF BIDS
July 28, 2015 10:00 AM

MARY STREET LIFT STATION REHABILITATION

| BIDDER | BID AMOUNT | |
|---------------------------|-------------------|------------|
| Engineer's Estimate | \$ 130,000.00 | |
| Dreiling Construction LLC | \$ 92,574.00 | LOW |
| Smoky Hill LLC | \$ 153,000.00 | |
| | | |
| | | |
| | | |
| | | |
| | | |



MEMORANDUM

TO: GOVERNING BODY

FROM: Steve Cottrell

DATE: 28 July 2015

RE: GARDEN CITY REGIONAL AIRPORT WASTEWATER LAGOON
RIP-RAP INSTALLATION

Engineering Department

Steven F. Cottrell, P.E.,
City Engineer

C.W. Harper, P.E.
Project Engineer

ISSUE

Governing Body consideration and acceptance of bids received July 28, 2015 for installation of rip-rap and crushed concrete at the Garden City Regional Airport Wastewater Lagoon.

BACKGROUND

The Kansas Department of Health & Environment has required the installation of rip-rap along the banks of the lagoon to prevent erosion from rainfall and wind caused waves in the lagoon. The crushed concrete is being added to the service drive around the lagoon for easier access and maintenance.

Only one bid was received, from Smoky Hill, LL, Salina, for \$77,200.00, which is under the engineer's estimate of \$93,400.00. Smoky Hill is the contractor on Taxiway F at the airport.

ALTERNATIVES

The Governing Body must reject the bid, or defer action until a later date.

RECOMMENDATION

Staff recommends accepting the bid and awarding the contract to Smoky Hill, LL, Salina in the amount of \$77,200.00, and authorizing the Mayor and City Clerk to execute the contracts when the documents are returned by the contractor.

FISCAL

Funding for this project is in the 2015 Water & Sewer budget, in line item 080-31-313-5370.05.

CITY ADMINISTRATIVE
CENTER
301 N. 8TH
P.O. BOX 998
GARDEN CITY, KS
67846-0998
620.276.1130
FAX 620.276.1137
www.garden-city.org

A handwritten signature in cursive script that reads "Steve Cottrell".

DEVELOPMENT AGREEMENT ESTOPPEL CERTIFICATE

Wells Fargo Bank, National Association
Wells Fargo Center
1901 Harrison Street, 2nd Floor
MAC A0227-020
Oakland, California 94612
Attention: Commercial Mortgage Servicing

The undersigned, the City of Garden City, a municipal corporation organized according to Kansas law (“we” or “the City”), certifies to Wells Fargo Bank, National Association, together with any of its or their respective affiliates and/or any of its or their respective successors and/or assigns (“you” or “Lender”):

1. The City is party to (a) that certain Schulman Crossing Phase 1 Development Agreement, dated as of June 6, 2012, between the City and Schulman Crossing Partners, LLC, a Kansas limited liability company (the “Phase 1 Development Agreement”) and (b) that certain Schulman Crossing Phase 2 Development Agreement, dated as of September 4, 2013, between the City and NCKAN Partners, Inc., a Kansas corporation (the “Phase 2 Development Agreement”) and, together with the Phase 1 Development Agreement, each a “Development Agreement” and, collectively, the “Development Agreements”). We are providing you with this certificate and permit you to rely upon it as conclusive evidence of the matters stated herein. We acknowledge that you will be relying upon the confirmation contained herein in connection with a loan to be given to GC Schulman LLC, a Delaware limited liability company (“Borrower”).

2. Each Development Agreement is valid and in full force and effect on the date hereof. Neither Development Agreement has been modified, amended, terminated, or revoked in any respect, whether in writing or orally. Without your written consent, we will not amend, modify, cancel or terminate any Development Agreement.

3. No notices of default have been received under a Development Agreement. To the best of the undersigned’s knowledge, as of the date hereof, the City has no claim of any nature under any Development Agreement against the Developer (as defined therein) party thereto. All construction obligations to be performed by any Developer under a Development Agreement have been satisfied and, as of the date hereof, the City has no existing defenses or offsets against the enforcement of the Development Agreement.

4. The City hereby consents to the transfer to the Borrower of the parcels of land described on Exhibit A and Exhibit B attached hereto (the “Property”) in connection with loan from Lender to Borrower and acknowledges that, pursuant to Section 6.1(B) of each Development Agreement, Borrower will not take ownership of Property subject to the terms of any Development Agreement, and that each Development Agreement will remain in full force and effect between the entities currently parties thereto.

5. The address for notices to be sent to the City is as set forth in the Development agreements.

6. The person signing this letter on behalf of the City is a duly authorized agent.

Dated this ____ day of _____, 2015.

CITY OF GARDEN CITY, KANSAS

By: _____

Name: _____

Title: _____



100 Military Avenue • Suite 128
P.O. Box 1116
Dodge City, KS 67801-1116
620-227-6406 • fax 620-225-6051
gpd@gpdonline.com • www.gpdonline.com

Date: July 16, 2015
To: Melinda Hitz, Finance Director
Re: Semi-Annual Report
From: Faye Trent & Bob Wetmore
Co-Directors

At this time we have four possible projects in various stages of application completion, but have not determined the sources for the loans. We are waiting on some additional information that will help us look at the eligibility requirements for various sources.

We will continue notifying the banks about the available funds and ask for their participation in the CDBG/RLF program.

Program Income Report for Economic Development

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206

C. SEMI-ANNUAL--FOR PERIOD ENDING: JUNE 30, 2015 OR DECEMBER 31, 20

ACCOUNT BALANCES

| | |
|--|---------------------|
| 1) BALANCE BROUGHT FORWARD | <u>\$386,767.58</u> |
| 2) PLUS: ALL DEPOSITS THIS PERIOD | <u>\$11,186.58</u> |
| 3) INTEREST ON BANK ACCOUNT EARNED THIS PERIOD | <u>\$129.29</u> |
| 4) *OTHER INCOME | <u>\$0.00</u> |
| 5) SUBTOTAL | <u>\$398,083.45</u> |
| 6) MINUS: ALL LOANS MADE DURING PERIOD | <u>\$0.00</u> |
| 7) ADMINISTRATIVE FEES | <u>\$351.52</u> |
| 8) *OTHER LOSSES (include funds returned to state) | <u>\$0.00</u> |
| 9) TOTAL | <u>\$397,731.93</u> |

*EXPLANATION OF LOSS OR INCOME: Other Income is late fees or release fees collected from clients

10) NAME AND ADDRESS OF BANK OF DEPOSIT: Commerce Bank

P.O. Box F

Garden City, KS 67846

CERTIFICATION: I certify to the best of my knowledge and belief that the information contained in this report is true and correct.

SIGNATURE: _____ DATE: _____

TYPED NAME: Janet A. Doll

TITLE: Mayor

PREPARER'S NAME: Faye Trent, Great Plains Development, Inc.

PREPARER'S EMAIL ADDRESS: ftrent@gpdionline.com

PREPARER'S PHONE NUMBER: 620-227-6406

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-015
 C. NAME OF COMPANY: Estes Enterprises, Inc. (A & W Drive-In)
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$150,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 8/1/09
 J. DUNS NUMBER: #010970522 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 4/6/15
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 5/26/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 3
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ 1,555.30
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 3,658.28
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 142.07

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 61
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 42,595.56
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 63,569.64
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 1,194.06
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 102,447.50

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>30</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>16</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Business was closed the end of May 2011 due to change in
leasor. Payments are being kept current while client looks for new location. 6/30/12 -Was not able to find a good location for a good
price, moved A&W equipment to Long John Silvers, Garden City & remodeled store. 12/31/14 -Client granted 3 month payment deferral.
Payments to start again 3/1/15.

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-016
 C. NAME OF COMPANY: Sinfully Sweet Bakery, LLC
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$25,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 1/1/10
 J. DUNS NUMBER: 831891242 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 1/13/15
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 6/22/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 6
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 873.00
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 21.33

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 14
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 523.15
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 2,758.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 704.67
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 28,850.80

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>3</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>2</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) 6/30/12 -Borrower filed individual bankruptcy this period, loan is
in LLC. 6/30/14 -City obtained and sold equipment for \$1,500. 12/31/14 -Payments being received from bankruptcy trustee.

Kansas Department of Commerce & Housing

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-018
 C. NAME OF COMPANY: The Paraclete Group, Inc.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$39,500.00 (Not drawn \$17,500.00) F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 12/1/11
 J. DUNS NUMBER: #017220836 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 12/31/14
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 5/26/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 6
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ 371.67
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 4,728.33
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 188.12

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 46
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 4,611.17
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 14,152.45
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 607.29
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 21,293.62

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>6</u> | <u>6</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>2</u> | <u>2</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>6</u> | <u>6</u> |

Actual is through XX/XX/XX, (Complete or Not Complete)

No further updating after XX/XX/XX

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

LOCAL REVOLVING LOAN PROGRAM CLOSE-OUT CERTIFICATE Completed: 6/30/12 To KDOC: 7/18/12
 Original to KDOC, copy to Borrower's File (under Approval in Section 5) - Required for loans approved after 1/1/11.

IS THIS LOAN CURRENT? [X] YES [] NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Did not draw down \$17,500 of original funded project.

Great Plains Development, Inc.

July 16, 2015

Melinda Hitz
City of Garden City
P. O. Box 499
Garden City, KS 67846

Description: Semi-Annual Report
Reference # CDBG #87-BF-206
Period Ending: 06/30/2015

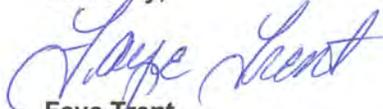
Dear Melinda:

Enclosed is the Portfolio Loan List for the period ending June 30, 2015.

This report provides you with an overview of all the projects included in your revolving loan fund.

If you have any questions please contact me at 620-227-6406.

Sincerely,



Faye Trent
Executive Co-Director

Enclosures

File # 520600GC

Web Site: www.gpdionline.com
Phone: 620-227-6406 – FAX: 620-225-6051 – e-mail: gpd@gpdi.kscoxmail.com
100 Military Plaza, Suite 128, P. O. Box 1116, Dodge City, Kansas 67801
An EDA Economic Development District and SBA Certified Development Company
An Equal Opportunity Lender, Provider and Employer

Serving Counties of Barber, Barton, Clark, Comanche, Edwards, Finney, Ford, Grant, Gray, Greeley, Hamilton, Haskell, Hodgeman, Kearny, Kiowa, Lane, Meade, Morton, Ness, Pawnee, Pratt, Rush, Scott, Seward, Stafford, Stanton, Stevens and Wichita.

Portfolio Loan List

| CDBG/RLF (GC) (520600) | | Heyco, Inc. | | Status: Paid in Full |
|--|----------------------|--|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Heyco, Inc. City: Garden City County: Finney State: KS NAICS: 233320 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 100.00 % / 0.00 % Start-up, Expansion, or Retention: Expansion Industry Type: Industrial | | RLF \$: 400,000.00 Other Public \$: 0.00 Private \$: 2,090,000.00 New Equity \$: 0.00 Total \$: 2,490,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 10/14/1887 | Interest Rate: 3.000 | Fully Repaid: 10/07/1998 | | Principal Repaid: 400,000.00 |
| Term: Years 9.8 | Total Fees: 0.00 | Current as of: | | Interest Paid: 61,502.21 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 45.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 55.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520601) | | Quall's, Inc | | Status: Paid in Full |
|---|----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Quall's, Inc City: Garden City County: Finney State: KS NAICS: 445110 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 10.93 % /89.07 % Start-up, Expansion, or Retention: Retention Industry Type: Commercial | | RLF \$: 40,000.00 Other Public \$: 40,000.00 Private \$: 100,000.00 New Equity \$: 3,000.00 Total \$: 183,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 01/16/1991 | Interest Rate: 9.000 | Fully Repaid: 12/23/1992 | | Principal Repaid: 40,000.00 |
| Term: Years 7.0 | Total Fees: 0.00 | Current as of: | | Interest Paid: 5,777.09 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 4.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 4.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520602) | | Foster Music, Inc. | | Status: Paid in Full |
|---|-----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Foster Music, Inc. City: Garden City County: Finney State: KS NAICS: 451140 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 19.05 % /80.95 % Start-up, Expansion, or Retention: Retention Industry Type: Commercial | | RLF \$: 26,250.00 Other Public \$: 0.00 Private \$: 0.00 New Equity \$: 0.00 Total \$: 26,250.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 10/14/1991 | Interest Rate: 10.000 | Fully Repaid: 03/05/1993 | | Principal Repaid: 26,250.00 |
| Term: Years 4.9 | Total Fees: 0.00 | Current as of: | | Interest Paid: 1,956.59 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 2.6 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 2.6 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520603) | | Threjay Marketing, Inc. | | Status: Paid in Full |
|--|----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Threjay Marketing, Inc. City: Garden City County: Finney State: KS NAICS: 337110 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 15.38 % /84.62 % Start-up, Expansion, or Retention: Expansion Industry Type: Commercial | | RLF \$: 60,000.00 Other Public \$: 0.00 Private \$: 105,000.00 New Equity \$: 30,000.00 Total \$: 195,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 06/19/1995 | Interest Rate: 7.000 | Fully Repaid: 06/07/2001 | | Principal Repaid: 60,000.00 |
| Term: Years 7.0 | Total Fees: 550.99 | Current as of: | | Interest Paid: 15,574.96 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 6.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520604) | | J & A Livestock Products, Inc. | | Status: Written Off |
|---|----------------------|--|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: J & A Livestock Products, Inc. City: Garden City County: Finney State: KS NAICS: 233320 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 100.00 % / 0.00 % Start-up, Expansion, or Retention: Retention Industry Type: Industrial | | RLF \$: 100,000.00 Other Public \$: 0.00 Private \$: 300,000.00 New Equity \$: 0.00 Total \$: 400,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 11/18/1994 | Interest Rate: 7.000 | Fully Repaid: | | Principal Repaid: 98,975.74 |
| Term: Years 11.8 | Total Fees: 766.42 | Current as of: | | Interest Paid: 26,900.38 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 100.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 10.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 1,024.26 |
| Jobs Saved: 0.0 | | Write-Off Date: 12/19/2003 | | |

| CDBG/RLF (GC) (520605) | | ACRA Products, L.L.C. | | Status: Written Off |
|--|-----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: ACRA Products, L.L.C. City: Garden City County: Finney State: KS NAICS: 233320 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 90.41 % / 9.59 % Start-up, Expansion, or Retention: Retention Industry Type: Industrial | | RLF \$: 250,000.00 Other Public \$: 0.00 Private \$: 2,357,082.00 New Equity \$: 0.00 Total \$: 2,607,082.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 05/14/1996 | Interest Rate: 9.000 | Fully Repaid: | | Principal Repaid: 207,266.11 |
| Term: Years 5.0 | Total Fees: 10,776.89 | Current as of: | | Interest Paid: 45,683.76 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 25.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 33.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 42,733.89 |
| Jobs Saved: 0.0 | | Write-Off Date: 02/05/1999 | | |

| CDBG/RLF (GC) (520606) | | TeleServices of Garden City, Inc. | | Status: Written Off |
|--|----------------------|---|--|---|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: TeleServices of Garden City, Inc. City: Overland Park County: Finney State: KS NAICS: 561422 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 82.82 % / 17.18 % Start-up, Expansion, or Retention: Startup Industry Type: Service | | RLF \$: 99,999.76 Other Public \$: 0.00 Private \$: 4,800.00 New Equity \$: 0.00 Total \$: 104,799.76 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 11/23/1998 | Interest Rate: 2.500 | Fully Repaid: | | Principal Repaid: 35,141.04 |
| Term: Years 10.1 | Total Fees: 0.00 | Current as of: | | Interest Paid: 4,068.79 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 64,858.72 |
| Jobs Saved: 0.0 | | Write-Off Date: 05/01/2000 | | |

| CDBG/RLF (GC) (520607) | | MGM Enterprises, L.L.C. | | Status: Paid in Full |
|--|----------------------|--|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: MGM Enterprises, L.L.C. City: Garden City County: Finney State: KS NAICS: 722211 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 41.59 % / 58.41 % Start-up, Expansion, or Retention: Startup Industry Type: Commercial | | RLF \$: 47,500.00 Other Public \$: 0.00 Private \$: 59,500.00 New Equity \$: 3,000.00 Total \$: 110,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 12/11/1997 | Interest Rate: 8.500 | Fully Repaid: 06/27/2005 | | Principal Repaid: 47,500.00 |
| Term: Years 10.2 | Total Fees: 59.00 | Current as of: | | Interest Paid: 9,193.40 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520608) | | J & A Livestock Products, Inc. | | Status: Written Off |
|---|--|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: J & A Livestock Products, Inc. City: Garden City County: Finney State: KS NAICS: 233320 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 0.00 % /100.00 % Start-up, Expansion, or Retention: Retention Industry Type: Industrial | | RLF \$: 190,000.00 Other Public \$: 0.00 Private \$: 0.00 New Equity \$: 0.00 Total \$: 190,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 12/06/1999 Interest Rate: 7.000 Term: Years 7.0 Total Fees: 4,315.12 | | Fully Repaid: Current as of: Balance: 0.00 Delinquent Days: 0 Default Days: 0 Write-Off Date: 12/19/2003 | | Principal Repaid: 136,894.10 Interest Paid: 35,857.74 Amt Delinquent: 0.00 Amt Default: 0.00 Amt Written-Off: 53,105.90 |
| Job Impact | | | | |
| Pre-Loan Jobs: 36.0 Minority Jobs: 12.0 Jobs Created: 0.0 Women Jobs: 2.0 Jobs Saved: 19.0 | | | | |

| CDBG/RLF (GC) (520609GC) | | R & R Frame & Axle, Inc. | | Status: Paid in Full |
|---|--|---|--|---|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: R & R Frame & Axle, Inc. City: Garden City County: Finney State: KS NAICS: 811111 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 89.33 % /10.67 % Start-up, Expansion, or Retention: Startup Industry Type: Commercial | | RLF \$: 60,000.00 Other Public \$: 20,000.00 Private \$: 260,000.00 New Equity \$: 35,000.00 Total \$: 375,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 02/21/2001 Interest Rate: 8.000 Term: Years 10.0 Total Fees: 29.00 | | Fully Repaid: 03/01/2011 Current as of: Balance: 0.00 Delinquent Days: 0 Default Days: 0 Write-Off Date: | | Principal Repaid: 60,000.00 Interest Paid: 27,368.61 Amt Delinquent: 0.00 Amt Default: 0.00 Amt Written-Off: 0.00 |
| Job Impact | | | | |
| Pre-Loan Jobs: 5.0 Minority Jobs: 0.0 Jobs Created: 3.0 Women Jobs: 1.0 Jobs Saved: 3.0 | | | | |

| CDBG/RLF (GC) (520610GC) | | Lucy's Fashion | | Status: Paid in Full |
|--|--|--|--|---|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Lucy's Fashion City: Garden City County: Finney State: KS NAICS: 448140 Women Owned <input type="checkbox"/> Minority Owned <input checked="" type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 100.00 % / 0.00 % Start-up, Expansion, or Retention: Expansion Industry Type: Commercial | | RLF \$: 10,000.00 Other Public \$: 0.00 Private \$: 48,000.00 New Equity \$: 6,000.00 Total \$: 64,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 12/29/2003 Interest Rate: 0.000 Term: Years 8.1 Total Fees: 81.93 | | Fully Repaid: 03/17/2010 Current as of: Balance: 0.00 Delinquent Days: 0 Default Days: 0 Write-Off Date: | | Principal Repaid: 10,000.00 Interest Paid: 2,324.26 Amt Delinquent: 0.00 Amt Default: 0.00 Amt Written-Off: 0.00 |
| Job Impact | | | | |
| Pre-Loan Jobs: 1.0 Minority Jobs: 2.2 Jobs Created: 0.0 Women Jobs: 2.2 Jobs Saved: 0.0 | | | | |

| CDBG/RLF (GC) (520611GC) | | GCAP, L.L.C. | | Status: Paid in Full |
|---|--|--|--|---|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: GCAP, L.L.C. City: Garden City County: Finney State: KS NAICS: 611519 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 91.19 % / 8.81 % Start-up, Expansion, or Retention: Startup Industry Type: Service | | RLF \$: 50,000.00 Other Public \$: 0.00 Private \$: 650,000.00 New Equity \$: 435,300.00 Total \$: 1,135,300.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 12/19/2003 Interest Rate: 6.000 Term: Years 7.2 Total Fees: 438.24 | | Fully Repaid: 08/21/2008 Current as of: Balance: 0.00 Delinquent Days: 0 Default Days: 0 Write-Off Date: | | Principal Repaid: 50,000.00 Interest Paid: 10,001.04 Amt Delinquent: 0.00 Amt Default: 0.00 Amt Written-Off: 0.00 |
| Job Impact | | | | |
| Pre-Loan Jobs: 0.0 Minority Jobs: 0.0 Jobs Created: 0.0 Women Jobs: 0.0 Jobs Saved: 0.0 | | | | |

| CDBG/RLF (GC) (520612GC) | | Sparkle Auto, LLC | | Status: Paid in Full |
|--|----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Sparkle Auto, LLC City: Garden City County: Finney State: KS NAICS: 441310 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 25.98 % /74.02 % Start-up, Expansion, or Retention: Expansion Industry Type: Commercial | | RLF \$: 25,000.00 Other Public \$: 75,000.00 Private \$: 0.00 New Equity \$: 0.00 Total \$: 100,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 10/12/2004 | Interest Rate: 7.000 | Fully Repaid: 06/03/2011 | | Principal Repaid: 25,000.00 |
| Term: Years 7.1 | Total Fees: 48.04 | Current as of: | | Interest Paid: 6,612.08 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 5.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 2.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520613GC) | | Center for Independent Living Southwest... | | Status: Paid in Full |
|---|----------------------|--|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Center for Independent Living Southwest... City: Garden City County: Finney State: KS NAICS: 624120 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 99.83 % / 0.17 % Start-up, Expansion, or Retention: Expansion Industry Type: Service | | RLF \$: 77,000.00 Other Public \$: 77,000.00 Private \$: 154,000.00 New Equity \$: 0.00 Total \$: 308,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 08/29/2006 | Interest Rate: 7.000 | Fully Repaid: 07/24/2012 | | Principal Repaid: 77,000.00 |
| Term: Years 10.2 | Total Fees: 967.70 | Current as of: | | Interest Paid: 25,243.49 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 90.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: 06/30/2011 | | |

| CDBG/RLF (GC) (520614GC) | | Cummings Sales Inc. (NOT FUNDED) | | Status: Written Off |
|---|----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Cummings Sales Inc. (NOT FUNDED) City: Garden City County: Finney State: KS NAICS: 332999 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 0.00 % /100.00 % Start-up, Expansion, or Retention: Expansion Industry Type: Industrial | | RLF \$: 0.00 Other Public \$: 0.00 Private \$: 0.00 New Equity \$: 0.00 Total \$: 0.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: / / | Interest Rate: 0.000 | Fully Repaid: | | Principal Repaid: 0.00 |
| Term: Years 0.0 | Total Fees: 0.00 | Current as of: | | Interest Paid: 0.00 |
| Job Impact | | Balance: 0.00 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 8.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520615GC) | | Estes Enterprises Inc dba A &W | | Status: Active |
|---|----------------------|---|--|--|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Estes Enterprises Inc dba A &W City: Pratt County: Finney State: KS NAICS: 722211 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Loan Type: Direct Fixed Asset/Working Capital: 100.00 % / 0.00 % Start-up, Expansion, or Retention: Startup Industry Type: Service | | RLF \$: 150,000.00 Other Public \$: 150,000.00 Private \$: 1,000,000.00 New Equity \$: 0.00 Total \$: 1,300,000.00 Amount Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 07/09/2009 | Interest Rate: 7.000 | Fully Repaid: | | Principal Repaid: 64,803.32 |
| Term: Years 10.5 | Total Fees: 0.00 | Current as of: 06/25/2015 | | Interest Paid: 43,099.74 |
| Job Impact | | Balance: 85,196.68 | | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520616GC) | | Sinfully Sweet Bakery, LLC | | Status: Written Off |
|---|----------------------|---|------|-------------------------------|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Sinfully Sweet Bakery, LLC | | Loan Type: Direct | | RLF \$: 25,000.00 |
| City: Garden City | | Fixed Asset/Working Capital: 38.18 % /61.82 % | | Other Public \$: 25,000.00 |
| County: Finney | | Start-up, Expansion, or Retention: Startup | | Private \$: 0.00 |
| State: KS | | Industry Type: Service | | New Equity \$: 10,202.00 |
| NAICS: 445291 Women Owned <input checked="" type="checkbox"/> Minority Owned <input type="checkbox"/> | | Write-Off Date: 06/08/2012 | | Total \$: 60,202.00 |
| Amount Guaranteed \$: 0.00 | | | | |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 10/21/2009 | Interest Rate: 7.000 | Fully Repaid: | | Principal Repaid: 2,758.00 |
| Term: Years 7.2 | Total Fees: 0.00 | Current as of: | | Interest Paid: 523.15 |
| Job Impact | | Balance: | 0.00 | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 3.0 | Default Days: 0 | | Amt Written-Off: 22,242.00 |
| Jobs Saved: 0.0 | | Write-Off Date: 06/08/2012 | | |

| CDBG/RLF (GC) (520617GC) | | Mauritta C. Adams, dba Mauritta's Cafe | | Status: Paid in Full |
|---|----------------------|---|------|-------------------------------|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: Mauritta C. Adams, dba Mauritta's Cafe | | Loan Type: Direct | | RLF \$: 37,500.00 |
| City: Holcomb | | Fixed Asset/Working Capital: 73.33 % /26.67 % | | Other Public \$: 37,500.00 |
| County: Finney | | Start-up, Expansion, or Retention: Startup | | Private \$: 0.00 |
| State: KS | | Industry Type: Service | | New Equity \$: 0.00 |
| NAICS: 722110 Women Owned <input checked="" type="checkbox"/> Minority Owned <input type="checkbox"/> | | Write-Off Date: 06/08/2012 | | Total \$: 75,000.00 |
| Amount Guaranteed \$: 0.00 | | | | |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 01/21/2011 | Interest Rate: 7.000 | Fully Repaid: 09/16/2013 | | Principal Repaid: 37,500.00 |
| Term: Years 10.2 | Total Fees: 421.17 | Current as of: | | Interest Paid: 6,329.75 |
| Job Impact | | Balance: | 0.00 | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 1.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 1.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520618GC) | | The Paraclete Group, Inc. | | Status: Active |
|--|----------------------|---|----------|-------------------------------|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: The Paraclete Group, Inc. | | Loan Type: Direct | | RLF \$: 22,000.00 |
| City: Garden City | | Fixed Asset/Working Capital: 0.00 % /100.00 % | | Other Public \$: 10,000.00 |
| County: Finney | | Start-up, Expansion, or Retention: Retention | | Private \$: 0.00 |
| State: KS | | Industry Type: Service | | New Equity \$: 0.00 |
| NAICS: 541519 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Write-Off Date: | | Total \$: 32,000.00 |
| Amount Guaranteed \$: 0.00 | | | | |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 08/11/2011 | Interest Rate: 7.000 | Fully Repaid: | | Principal Repaid: 14,956.67 |
| Term: Years 7.2 | Total Fees: 0.00 | Current as of: 06/25/2015 | | Interest Paid: 4,656.95 |
| Job Impact | | Balance: | 7,043.33 | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 6.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 1.0 | Default Days: 0 | | Amt Written-Off: 0.00 |
| Jobs Saved: 0.0 | | Write-Off Date: | | |

| CDBG/RLF (GC) (520619GC) | | TekVet Technologies Co. | | Status: Written Off |
|--|----------------------|---|------|-------------------------------|
| Loan Recipient | | Loan Type & Description | | Financing by Source (Specify) |
| Borrower Name: TekVet Technologies Co. | | Loan Type: Direct | | RLF \$: 60,000.00 |
| City: Garden City | | Fixed Asset/Working Capital: 0.00 % /100.00 % | | Other Public \$: 0.00 |
| County: Finney | | Start-up, Expansion, or Retention: Startup | | Private \$: 0.00 |
| State: KS | | Industry Type: Industrial | | New Equity \$: 0.00 |
| NAICS: 115210 Women Owned <input type="checkbox"/> Minority Owned <input type="checkbox"/> | | Write-Off Date: 06/13/2012 | | Total \$: 60,000.00 |
| Amount Guaranteed \$: 0.00 | | | | |
| Closing Date & Loan Terms | | Loan Status | | Repayment Status |
| Date Close: 06/28/2011 | Interest Rate: 4.000 | Fully Repaid: | | Principal Repaid: 0.00 |
| Term: Years 0.8 | Total Fees: 0.00 | Current as of: | | Interest Paid: 0.00 |
| Job Impact | | Balance: | 0.00 | Amt Delinquent: 0.00 |
| Pre-Loan Jobs: 0.0 | Minority Jobs: 0.0 | Delinquent Days: 0 | | Amt Default: 0.00 |
| Jobs Created: 0.0 | Women Jobs: 0.0 | Default Days: 0 | | Amt Written-Off: 60,000.00 |
| Jobs Saved: 0.0 | | Write-Off Date: 06/13/2012 | | |

Totals

| Loan Recipient | Loan Type & Description | Financing by Source (Specify) |
|---------------------------|-------------------------|--------------------------------|
| | | RLF \$: 1,730,249.76 |
| | | Other Public \$: 434,500.00 |
| | | Private \$: 7,128,382.00 |
| | | New Equity \$: 522,502.00 |
| | | Total \$: 9,815,633.76 |
| | | Amt Guaranteed \$: 0.00 |
| Closing Date & Loan Terms | Loan Status | Repayment Status |
| Total Fees: 18,454.50 | | Principal Repaid: 1,394,044.98 |
| | | Interest Paid: 332,673.99 |
| | | Amt Delinquent: 71,679.40 |
| | | Amt Default: 0.00 |
| | | Amt Written-Off: 243,964.77 |
| Job Impact | | |
| Pre-Loan Jobs: 328.6 | Minority Jobs: 14.2 | |
| Jobs Created: 109.0 | Women Jobs: 14.2 | |
| Jobs Saved: 28.6 | | |

Portfolio Loan List

| | |
|------------------|-------------------------------------|
| (1,730,249.76) * | RLF Loans To Date |
| 0.00 | RLF Loans not drawn down |
| 400,000.00 | Plus Beginning Grant |
| 1,394,044.98 * | Plus Principal Payments |
| 332,673.99 * | Plus Interest Payments |
| 18,454.50 * | Plus Total Fees |
| 140,090.50 | Plus Accrued Bank Interest |
| 62,529.83 | Less Accrued Administration Paid |
| 0.00 | Less Accrued Service Fees paid |
| 92,164.59 | Less Accrued Fees Paid to Others |
| 2,587.86 | Less Pmt Rec'd End of Rpt Period |
| | (Not on City Ledger, due to timing) |
| 397,731.93 | Fund Balance |

* From Portfolio Loan List

Program Income Report for Economic Development

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206
C. SEMI-ANNUAL--FOR PERIOD ENDING: JUNE 30, 2015 OR DECEMBER 31, 20

ACCOUNT BALANCES

| | |
|--|---------------------|
| 1) BALANCE BROUGHT FORWARD | <u>\$386,767.58</u> |
| 2) PLUS: ALL DEPOSITS THIS PERIOD | <u>\$11,186.58</u> |
| 3) INTEREST ON BANK ACCOUNT EARNED THIS PERIOD | <u>\$129.29</u> |
| 4) *OTHER INCOME | <u>\$0.00</u> |
| 5) SUBTOTAL | <u>\$398,083.45</u> |
| 6) MINUS: ALL LOANS MADE DURING PERIOD | <u>\$0.00</u> |
| 7) ADMINISTRATIVE FEES | <u>\$351.52</u> |
| 8) *OTHER LOSSES (include funds returned to state) | <u>\$0.00</u> |
| 9) TOTAL | <u>\$397,731.93</u> |

*EXPLANATION OF LOSS OR INCOME: Other Income is late fees or release fees collected from clients

10) NAME AND ADDRESS OF BANK OF DEPOSIT: Commerce Bank
P.O. Box F
Garden City, KS 67846

CERTIFICATION: I certify to the best of my knowledge and belief that the information contained in this report is true and correct.

SIGNATURE: _____ DATE: _____

TYPED NAME: Janet A. Doll

TITLE: Mayor

PREPARER'S NAME: Faye Trent, Great Plains Development, Inc.

PREPARER'S EMAIL ADDRESS: ftrent@gpdionline.com

PREPARER'S PHONE NUMBER: 620-227-6406

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206
 C. NAME OF COMPANY: Heyco, Inc
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$400,000.00 F. FREQUENCY OF PAYMENT: Quarterly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 3%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 1/1/89

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 40
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 61,502.21
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 400,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 20,074.65
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|--------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | _____ | _____ |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | _____ | _____ |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | _____ | _____ |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | _____ | _____ |
| e. NUMBER OF BASE JOBS: | _____ | _____ |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Paid in Full 6/7/98

Grant/Local Loan Collection Reports

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-003
 C. NAME OF COMPANY: Threjay Marketing
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$60,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 7/1/94

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 84
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 15,574.96
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 60,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 4,876.68
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|------------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>6</u> | <u>6</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>3.6</u> | <u>3</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Paid in Full 6/7/01

Kansas Department of Commerce & Housing

03/95 (Rev)

Small Cities Community Development Block Grant Program

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Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-004
 C. NAME OF COMPANY: Heyco, Inc. (Assumed by J & A Livestock Products, Inc.)
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$100,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 1/1/95

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 82
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 26,900.38
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 98,975.74
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 4,441.00
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 22,484.93

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|------------|------------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>10</u> | <u>10</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>6</u> | <u>9</u> |
| e. NUMBER OF BASE JOBS: | <u>100</u> | <u>100</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) The business closed in September of 2003. The City has filed, jointly with Finney County, a Petition in District Court, Finney County, KS for the amount in 2e plus accruing interest and legal fees and the amount owed to the county of \$22,619.52 plus accruing interest and legal fees. Partial payment received. The balance due after judgement was written off.

Kansas Department of Commerce & Housing

03/95 (Rev)

Small Cities Community Development Block Grant Program

VI-7

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-005
 C. NAME OF COMPANY: ACRA Products, L.L.C.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$250,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 60 MOS. H. INTEREST RATE: 9%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 10/1/96

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 21
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 45,683.76
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 207,266.11
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 13,451.38
 Administrative fees reimbursed \$ 10,088.24
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|-----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>25</u> | <u>33</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>15</u> | <u>19</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) City foreclosed on loan 2-5-99. Client filed bankruptcy.
City liquidated assets. The balance due after liquidation, \$42,733.89, was written off.

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-006
 C. NAME OF COMPANY: TeleServices of Garden City, Inc.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$99,999.76 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 2.50%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 6/1/98 (Amended to 10/1/98)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: _____ 16
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 4,068.79
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 35,141.04
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 15,847.64
 Administrative fees reimbursed \$ 13,235.00
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|--------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | _____ |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | _____ |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>10</u> | _____ |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | _____ |
| e. NUMBER OF BASE JOBS: | <u>0</u> | _____ |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) The City and Finney County have taken ownership of all assets.
Liquidation or sale of assets is in process. Actual loss not determined until sale of assets is completed. Income from sale of
assets will be split 80% Finney county and 20% to City of Garden City
Land and Building sold 9-28-01 for \$185,000. Taxes etc. were paid. Net amount received was \$144,914.40 (80% to Finney County
and 20% to Garden City) Amount written off: \$64,858.75

Kansas Department of Commerce & Housing

03/95 (Rev)

Small Cities Community Development Block Grant Program

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Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-007
 C. NAME OF COMPANY: MGM Enterprises, L.L.C.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$47,500.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 9%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 12/1/97

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 30
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 9,193.40
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 47,500.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 2,444.55
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|--------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | _____ |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | _____ |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>5</u> | _____ |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>3</u> | _____ |
| e. NUMBER OF BASE JOBS: | <u>0</u> | _____ |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Paid in Full 6/27/05 as per settlement agreement with
guarantor.

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-008
 C. NAME OF COMPANY: J & A Livestock Products, Inc.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$190,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 10/1/99

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 37
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 35,857.74
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 136,894.10
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 2,813.65
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: (Settlement Pd, no further funds to be collected) \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|-----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>19</u> | <u>19</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>10</u> | <u>13</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>36</u> | <u>36</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? [] YES [X] NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) The business closed in September 2003. The city has filed, jointly with Finney County, a petition in District Court, Finney County, Kansas for the amount in 2e plus accruing interest and legal fees and the amount owed to the county in the amount of \$63,393.57 plus accruing interest and legal fees. Partial payment received. The balance due after judgement was written off.

Kansas Department of Commerce & Housing

03/95 (Rev)

Small Cities Community Development Block Grant Program

VI-7

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-009
 C. NAME OF COMPANY: R & R Frame & Axle, Inc.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$60,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 8%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 4/1/01

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 120
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 27,368.61
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 60,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 4,386.54
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>3</u> | <u>3</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>3</u> | <u>3</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>3</u> | <u>3</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? [X] YES [] NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) PAID IN FULL 3/1/11

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 Reports
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Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-011
 C. NAME OF COMPANY: GCAP, L.L.C.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAID: \$50,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 6%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 3/1/04

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 56
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 10,001.04
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 50,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 1,490.37
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>5</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>3</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>1</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN)

Paid in Full 8/21/08

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-012
 C. NAME OF COMPANY: Sparkle Auto, LLC
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$25,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 1/1/05

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 78
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 6,612.08
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 25,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 2,255.57
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-------------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>1</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0.75</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>5</u> | <u>5</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) PAID IN FULL 6/3/11

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-013
 C. NAME OF COMPANY: Center for Independent Living Southwest Kansas
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$77,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 12/1/06

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 69.19

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 54
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 25,243.49
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 77,000.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 1,627.69
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|-----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>8</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>5</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>90</u> | <u>90</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Paid in Full 7/24/12 with funds from sale of building.

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 Reports
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Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-015
 C. NAME OF COMPANY: Estes Enterprises, Inc. (A & W Drive-In)
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAID: \$150,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 8/1/09
 J. DUNS NUMBER: #010970522 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 4/6/15
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 5/26/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 3
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ 1,555.30
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 3,658.28
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 142.07

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 61
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 42,595.56
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 63,569.64
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 1,194.06
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 102,447.50

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>30</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>16</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Business was closed the end of May 2011 due to change in
leasor. Payments are being kept current while client looks for new location. 6/30/12 -Was not able to find a good location for a good
price, moved A&W equipment to Long John Silvers, Garden City & remodeled store. 12/31/14 -Client granted 3 month payment deferral.
Payments to start again 3/1/15.

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-016
 C. NAME OF COMPANY: Sinfully Sweet Bakery, LLC
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAID: \$25,000.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 1/1/10
 J. DUNS NUMBER: 831891242 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 1/13/15
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 6/22/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 6
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 873.00
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 21.33

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 14
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 523.15
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 2,758.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 704.67
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 28,850.80

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>3</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>2</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) 6/30/12 -Borrower filed individual bankruptcy this period, loan is
in LLC. 6/30/14 -City obtained and sold equipment for \$1,500. 12/31/14 -Payments being received from bankruptcy trustee.

Kansas Department of Commerce & Housing

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-017
 C. NAME OF COMPANY: Mauritta's Café
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$37,500.00 F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 120 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 5/1/11
 J. DUNS NUMBER: #032846320 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 30
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 6,329.75
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 37,500.00
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 1,335.68
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 0.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>2</u> | <u>2</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

Actual is through 12/31/11 (Complete)

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

LOCAL REVOLVING LOAN PROGRAM CLOSE-OUT CERTIFICATE Completed: 6/30/12 To KDOC: 7/18/12
 Original to KDOC, copy to Borrower's File (under Approval in Section 5) - Required for loans approved after 1/1/11.

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) PAID IN FULL 9/16/13

Kansas Department of Commerce & Housing

Small Cities Community Development Block Grant Program

03/95 (Rev)

VI-7

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-018
 C. NAME OF COMPANY: The Paraclete Group, Inc.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$39,500.00 (Not drawn \$17,500.00) F. FREQUENCY OF PAYMENT: Monthly
 G. TERM OF REPAYMENT: 84 MOS. H. INTEREST RATE: 7%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: 12/1/11
 J. DUNS NUMBER: #017220836 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: 12/31/14
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: 5/26/15
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: 6
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ 371.67
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ 4,728.33
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ 188.12

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: 46
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ 4,611.17
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ 14,152.45
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 607.29
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 21,293.62

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>6</u> | <u>6</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>2</u> | <u>2</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>6</u> | <u>6</u> |

Actual is through XX/XX/XX, (Complete or Not Complete)

No further updating after XX/XX/XX

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

LOCAL REVOLVING LOAN PROGRAM CLOSE-OUT CERTIFICATE Completed: 6/30/12 To KDOC: 7/18/12
 Original to KDOC, copy to Borrower's File (under Approval in Section 5) - Required for loans approved after 1/1/11.

IS THIS LOAN CURRENT? [X] YES [] NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Did not draw down \$17,500 of original funded project.

Grant/Local Loan Collection Report

A. GRANTEE NAME: City of Garden City B. GRANT NUMBER: 87-BF-206-019
 C. NAME OF COMPANY: TekVet Technologies Co.
 D. SEMI-ANNUAL -- FOR PERIOD ENDING: June 30, 2015
 E. GRANT AMOUNT TO BE REPAYED: \$60,000.00 F. FREQUENCY OF PAYMENT Full payment by 3/31/12
 G. TERM OF REPAYMENT: 9 MOS. H. INTEREST RATE: 4%
 I. DUE DATE OF FIRST PAYMENT OF COMBINED PRINCIPAL AND INTEREST: By 3/31/12
 J. DUNS NUMBER: 31793358 (Required after 3/10/08)

1 CURRENT PERIOD INFORMATION:

a. ACTUAL DATE OF FIRST PAYMENT THIS PERIOD: _____
 b. ACTUAL DATE OF LAST PAYMENT THIS PERIOD: _____
 c. NUMBER OF PAYMENTS RECEIVED THIS PERIOD: _____
 d. DOLLAR AMOUNT OF INTEREST RECEIVED THIS PERIOD: \$ _____
 e. DOLLAR AMOUNT OF PRINCIPAL RECEIVED THIS PERIOD: \$ _____
 f. DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID THIS PERIOD: \$ _____

2 AGGREGATE INFORMATION:

a. TOTAL NUMBER OF PAYMENTS RECEIVED TO DATE: _____
 b. TOTAL DOLLAR AMOUNT OF INTEREST RECEIVED TO DATE: \$ _____
 c. TOTAL DOLLAR AMOUNT OF PRINCIPAL RECEIVED TO DATE: \$ _____
 d. TOTAL DOLLAR AMOUNT OF ADMINISTRATIVE FEES PAID TO DATE: \$ 224.30
 e. BALANCE OF PRINCIPAL AND INTEREST DUE: \$ 60,000.00

3 JOB INFORMATION:

| | PROPOSED | ACTUAL |
|---|-----------|----------|
| a. NUMBER OF JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| b. NUMBER OF LMI JOBS RETAINED WITH THIS PROJECT: | <u>0</u> | <u>0</u> |
| c. NUMBER OF JOBS CREATED WITH THIS PROJECT: | <u>50</u> | <u>0</u> |
| d. NUMBER OF LMI JOBS CREATED WITH THIS PROJECT: | <u>26</u> | <u>0</u> |
| e. NUMBER OF BASE JOBS: | <u>0</u> | <u>0</u> |

Actual is through XX/XX/XX, (Complete or Not Complete)

No further updating after XX/XX/XX

MUST ATTACH DATED AMORTIZATION SCHEDULE OF PAYMENTS

LOCAL REVOLVING LOAN PROGRAM CLOSE-OUT CERTIFICATE Completed: 6/30/12 To KDOC: 7/18/12
 Original to KDOC, copy to Borrower's File (under Approval in Section 5) - Required for loans approved after 1/1/11.

IS THIS LOAN CURRENT? YES NO

(IF NOT, WHY AND WHAT STEPS ARE BEING TAKEN) Funds disbursed in late June, no payment required until 2012.

Due to non-compliance, City Counselor has demanded evacuation & payment.

Other Entities Minutes

Garden City Police Department
PCAB Meeting
21 July 2015

Present: Courtney E. Prewitt, Captain; Sergeant Andrew Roush; Connie Bonwell; Mellaina Johnson; Alicia Weber; Vinh Nguyen; Charles Allen; Brandon Neeb; Stan Kennedy.

Not Present: Helen Batchelder; Mel Galvez; Cindy Hernandez.

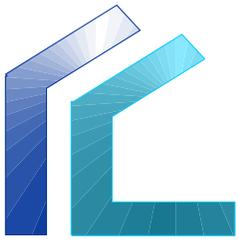
The meeting convened at 1730.

Captain Prewitt led the review of the monthly activity reports.

Captain Prewitt discussed the recent Facebook post regarding ISIS recruitment, stating the post was unsubstantiated by the Garden City Police Department and the FBI.

Captain Prewitt reviewed the results of the DUI check lane.

The meeting adjourned at 1810.



Garden City Recreation

310 N. 6th, Garden City, Kansas 67846 – Phone: 620-276-1200 Fax: 620-276-1203 – email: grec@garden-city.org

AGENDA

Regular Meeting

Monday – July 27, 2015, 5:15pm

Maintenance Division Building

2925 E. Mary Street

-
- I. Call Meeting to Order
 - II. Approval of Agenda
 - III. Approval of Financials
 - IV. Consent Agenda
 - The following shall stand approved/accepted as presented unless action is taken to remove an item from the consent agenda.
 - Regular Meeting Monday, June 29, 2015.
 - Special Meeting Thursday, July 16, 2015.
 - Staff Reports
 - Participation Reports July 2015
 - V. Superintendents Report
 - SWKR Golf Tournament – August 14, 2015 @ 9am Mariah Hills Golf Course.
 - Introduction of the 2015 J-1 Work Force
 - Valuation Calculations
 - Facilities water usage comparison for 2015
 - VI. New Business
 1. Downtown Wellness and Fitness Center discussions. (Presented by Meghan McFee)
 2. Rental Car Contract with Enterprise for 2015/16. Staff would like for you to consider usage of car rentals for Recreational Meetings and Conferences. (Presented by John Washington)
 - VII. Old Business
 1. Indoor Soccer Facility Discussion's – Cecil O'Brate
 - VIII. Executive Session – Applies only if requested by Staff or a Board Member. Recreation Board will go into executive session at ____ pm; for the purpose of discussing personnel or real property if so mentioned. The Recreation Board will reconvene into open session at ____ pm.
Garden City Recreation Commission Questions and Comments
 - IX. Adjournment

Next Meeting

August 31, 2015 @ 5:15

Recreation Commission

Maintenance Division Building

2925 E. Mary Street

**Garden City Recreation Commission
Minutes
Monday, June 29, 2015
2925 E Mary St**

I. Call Meeting to Order

Chairperson Marcus Ramos called the meeting to order at 5:13pm. GCRC Board present was Anna Urrutia, Alyssa Benavidez, Myca Bunch and Jamie Warren. GCRC Staff present were Superintendent John Washington and Finance Director Terri Hahn. Guest present from Lewis Hooper and Dick LLC was Theresa Dasenbrock, CPA, CFE and Kristin Sekavec, CPA. and Zhang Oiamgwei (Rose), foreign exchange employee.

II. Approval of Agenda

Motion by Myca Bunch to approved the agenda, seconded by Anna Urrutia. Motion carried with all in favor.

III. Financial Reports for May 2015

John and Terri went over the financials from May 2015. Motion by Jamie Warren to approve the Financials for May 2015, seconded by Alyssa Benavidez. Motion carried with all in favor.

IV. Consent Agenda

The following shall stand approved and/or accepted as presented unless action is taken to remove an item from the consent agenda.

- Minutes of Regular Meeting for May 2015
- Staff Reports
- Participation Reports May 2015

Motion by Myca Bunch to approve the consent agenda seconded by Jamie Warren. Motion carried with all in favor.

V. Superintendent Reports

- **2015 SWKR Golf Tournament (August 15, 2015 @ 9am, Mariah Hills, Dodge City) –** Reminder about the 2015 SWKR Golf Tournament, if you would like to play please get with John.
- **Update on the Water Park Design and construction phase.** - Work is going on the water park. Please get with John if you would like a tour of the area. (Hardhats Required)
- **Big Pool Scum Gutter Recirculation Line –** have rebuild pumps. Working on two (2) filters that don't seem to be working. Ongoing project.
- **Garden City Recreation Renovation Projects –** John ask the Board to go around and see that they think needs to be renovated. Get back with John on this.
Anna Urrutia asked John about Core Fitness and Wellness Center. John explained that the Core is going well. Growing every day. On the Wellness Center, John explained that it had lost about hundred (100) members this month. Will be giving recommendation at the next meeting on the Wellness Center.
Myca Bunch asked about doing a survey at the Wellness Center? Possible, Staff will get back at the next meeting.

VI. New Business

1. **Lewis Hooper and Dick Audit Presentation** – Theresa Dasenbrock, CPA, CFE and Kristin Sekavec, CPA from Lewis Hooper and Dick LLC went over the 2014 Audit for the Garden City Recreation Commission. Theresa explained the charts to the Board and told them that we need to get the income back up. Also need to get the Employee Benefit Fund and the General Fund back in the black. They also recommended getting the GCREC Leases approve with the City of Garden City. Theresa and Kristin said that there are no budget violations. An additional suggestion is to get Randy Grisell to do a presentation on the Recreations Boards procedures. Motion by Jamie Warren to accept the Garden City Recreation Commission 2014 Audit from Lewis Hooper and Dick LLC, seconded by Myca Bunch. Motion carried with all in favor.
2. **Designation of July as Park and Recreation Month “Out Is In”** – John is asking that the Board designated July as “Out is In”. Motion by Anna Urrutia to designate July as “Out is In”, seconded by Alyssa Benavidez. Motion carried with all in favor.
3. **Meghan McFee is requesting for sale or donation of used weight equipment to Horace Good Junior High School** – Meghan McFee, Wellness Director would like to either donate or sale some old equipment to Horace Good Junior High. The Board asked if Meghan would check to see if they would pay for the equipment. Motion by Alyssa Benavidez to table the request to sale or donate used weight equipment to Horace Good Junior High, seconded by Myca Bunch. Motion carried with all in favor.

VII. Old Business

1. **Indoor Soccer Facility Discussions** – John asked to table the Indoor Soccer Facility Discussion until the next meeting. Mr. O’Brate is still working on numbers. Motion by Myca Bunch to table the Indoor Soccer Facility Discussion until July 29, 2015 meeting, seconded by Jamie Warren. Motion carried with all in favor.

VIII. Executive Session – Recreation Board will go into executive session at ____ for the purpose of discussing personnel and/or real property. The Recreation Board will reconvene into open session at ____pm.

Garden City Recreation Commission Questions and Comments

IX. Adjournment

Motion by Anna Urrutia to adjourn. The motion was seconded by Alyssa Benavidez. The meeting adjourned at 7:01pm.

Terri Hahn
Secretary

Approved July 27, 2015

**Garden City Recreation Commission
Minutes
Thursday, July 16, 2015
2925 E Mary St.**

I. Call Meeting to Order

Chairperson Marcus Ramos called the meeting to order at 12:04pm. GCRC Board Members present was Anna Urrutia, Alyssa Benavidez, Jamie Warren and Myca Bunch. GCRC Staff present was Superintendent John Washington, Bookkeeper Debbie Bridgeman and Finance Director Terri Hahn. Guest present was from the Garden City Telegram Michael Maresh.

II. Approval of Agenda

Motion by Jamie Warren to approve the agenda, seconded by Anna Urrutia. Motion carried with all in favor.

III. New Business

- a) **2016 Budget Hearing Per K.S.A. 12-1927** - Motion by Alyssa Benavidez to open the 2016 Budget Hearing for fifteen (15) to twenty (20) minutes, seconded by Myca Bunch. Motion carried with all in favor.

Open the 2016 Budget Hearing at 12:05pm.

No Public Present.

Motion by Anna Urrutia to closed the 2016 Budget Hearing, seconded by Myca Bunch.

The 2016 Budget Hearing closed at 12:25pm.

Garden City Recreation Commission Questions and Comments

IV. Adjournment

Motion by Anna Urrutia to adjourn, seconded by Myca Bunch. The meeting adjourned at 12:26pm.

Terri Hahn
Secretary

Approved July 27, 2015