

LOAN AGREEMENT
Public Entity

This Loan Agreement ("Agreement") is entered into between the Missouri Department of Economic Development-Division of Energy ("DED-DE") and **LEE'S SUMMIT MUNICIPAL AIRPORT**, a city government, ("Borrower") located in Jackson County, Missouri.

WHEREAS, DED-DE has approved Borrower's financing application pursuant to Sections 640.651 to 640.686 of the Missouri Revised Statutes ("RSMo"), as amended up to the maximum amount specified in Paragraph 1 of this Agreement, provided that Borrower complies with the various terms and conditions set forth in this Agreement, and

WHEREAS, DED-DE may choose to fund amounts loaned pursuant to its Energy Loan Program (the "Program") from the proceeds of revenue bonds issued or to be issued by the State Environmental Improvement and Energy Resources Authority (the "Authority") pursuant to a Bond Indenture authorizing such Authority bonds (the "Bond Indenture") among the Authority, DED-DE, and the bond trustee named therein (the "Bond Trustee"). Capitalized terms used in this Agreement and not defined herein shall have the meanings contained in the Bond Indenture, or if no Bond Indenture, such terms shall have the meanings contained in 4 CSR 340-2.010.

THEREFORE, in consideration of the mutual premises set forth in the numbered paragraphs below, DED-DE and Borrower mutually agree as follows:

1. The Borrower shall execute a promissory note, which evidences loans from DED-DE: the Project Costs Loan and/or the Reserve Loan (collectively the Project Costs Loan and the Reserve Loan are referred to herein as the "Loan"). The Project Costs Loan shall be in a maximum total loan amount of **\$35,740.00**, which maximum shall include (a) reimbursement of approved construction costs, (b) accrued interest on construction draws and (c) a **one percent (1.00%)** loan origination fee thereon. The Borrower promises to repay the Project Costs Loan made to the Borrower, plus loan origination fee and accrued interest from the date of Project Completion (defined below) at a simple annual rate of **two and three quarters percent (2.75%)**. The receipt by the Borrower or its designee of amounts under this Agreement creates an obligation of the Borrower, and constitutes its promise to repay the amounts described in this paragraph.

2. The proceeds of the Project Costs Loan shall be used to implement Energy Conservation Measures (ECM's) designated as approved by DED-DE through the "Approved Measures List." The approved ECM's related to the Project are described in the Borrower's loan application, Technical Assistance Report ("TAR") and associated DED-DE review documents approved by DED-DE. The Borrower's approved loan application, TAR Worksheets and associated DED-DE review documents are made part of this Agreement by reference.

3. The Borrower will not pay interest on the Reserve Loan, if applicable, the proceeds of which will be deposited into the Program's Debt Service Reserve Fund. The Borrower has no

monetary obligation to repay the principal amount of the Reserve Loan except through the release of amounts deposited in the Debt Service Reserve Fund as more fully described in the Bond Indenture and other bond documents.

4. The Borrower acknowledges that its Project Costs Loan may be funded in part from the proceeds of tax-exempt bonds issued by the Authority under the Program ("Program Bonds") and therefore covenants and agrees that neither the Borrower nor any related party (within the meaning of Section 1.150-1(a) of the federal income tax regulations) will:

(a) buy Program Bonds; or

(b) allow more than five percent (5%) of the proceeds of the Project Costs Loan to be used in any trade or business carried on by any person other than a governmental unit (within the meaning of Section 141(b)(6) of the Internal Revenue Code) unless the Borrower has first obtained written approval of such use from DED-DE; or

(c) enter into any management contract or service contract with respect to the Project with any person other than a governmental unit unless the contract meets the advance ruling guidelines published by the Internal Revenue Service (currently set forth in Revenue Procedure 97-13, 1997-1 C.B. 632) unless the Borrower has first obtained written approval of such contract from DED-DE.

5. Borrower shall obtain any and all permits and licenses required to install or operate the Project and shall comply with all local, state, and federal laws, rules and codes concerning the Project.

6. The Borrower authorizes any official or agent of DED-DE to conduct physical inspections of the Project before the commencement, during construction, installation and implementation of the Project and at any time prior to the complete repayment of the Loan. In each contract entered into with suppliers of goods and services to install, conduct and operate the Project, including management services, the Borrower shall state and the contractor shall agree to allow any officer or agent of DED-DE access to the Project site and to any books, documents, or records directly relevant to the Project.

7. The Borrower shall obtain a written waiver of all claims other than those previously made in writing and still unsettled, from each contractor who supplies goods and services, including management services, in connection with the Project.

8. The completion date of the Project shall be no later than **September 30, 2018**, unless an extension is approved in writing by DED-DE. The Borrower shall notify DED-DE when the Project has been completed and it is making its final disbursement request. The date of completion of the Project shall be deemed to be the date upon which DED-DE sends the Borrower its final disbursement on the Project Costs Loan ("Project Completion").

9. All equipment and material acquired under this Agreement shall become the property of the Borrower at time of purchase.

10. Eligible costs relating to an approved Project incurred on or after the date DED-DE begins accepting applications, are eligible for reimbursement.

11. The Borrower may request a disbursement or reimbursement by submitting to DED-DE a complete and duly executed Reimbursement Request Form, with required supporting data ("Requisition"), such form to be provided by DED-DE, specifying the amount of the disbursement to be made, together with copies of invoices, purchase orders and/or canceled checks in support of the amount requested. Requisitions shall not be submitted more frequently than monthly and for no lesser amount than twenty-five percent (25%) of the maximum Project Costs Loan amount, except when requesting the final disbursement or if a larger number of disbursements is authorized in advance by DED-DE. The Borrower shall provide such additional supporting information as DED-DE may reasonably require. DED-DE will undertake a review of each Requisition within ten Business Days after its receipt and will approve the Requisition and authorize payment if (i) amounts requested constitute eligible costs, and (ii) all other conditions to a requested disbursement set forth in this Agreement have been satisfied. If loan funding is provided through the issuance of bonds, and the Bond Trustee receives an approved Requisition no later than two Business Days prior to the 5th or the 20th day of any month (each a "Reimbursement Submission Date"), the Bond Trustee is required to pay the Borrower by the next Reimbursement Submission Date. DED-DE will not approve any Requisitions upon a default by the Borrower or the issuance of a stop-work order by DED-DE.

12. Borrower shall submit an annual report within thirty (30) days of receipt of the reporting form provided by DED-DE. The report shall outline the energy use of the building, facility or system on which the Project was completed, detail any changes in energy consumption and provide a detailed breakdown of energy expenditures for the preceding twelve (12) months. Reports will be submitted annually until the Loan is fully repaid. The Borrower agrees to provide DED-DE with information necessary for administration of the Program including the annual computation required by Section 640.657 of actual energy cost savings and any continuing disclosure of operating or financial data as may be requested by the Authority in connection with the issuance of Program bonds. Borrower further agrees that if it is notified by DED-DE that its Project Costs Loans outstanding equal or exceed ten percent (10%) of the aggregate principal amount of Project Costs Loans outstanding for all Borrowers under the Program on the date of issuance of any series of Program Bonds, it will execute an agreement to provide annual information and other information concerning its operations as required by DED-DE.

13. The Borrower agrees to provide a Final Project Cost Report on a form provided by DED-DE no later than thirty (30) days following Project Completion. Upon DED-DE's receipt of the report documenting final costs, DED-DE will prepare and forward a promissory note to the Borrower, which will include an amortization schedule with respect to the amount due hereunder and under the promissory note. The Borrower shall execute and return the promissory note to DED-DE within forty-five (45) days following its receipt. The promissory note shall evidence the Borrower's obligation to repay the amount specified in Paragraph 1 of this Agreement.

14. The Borrower shall establish and maintain on its books an Energy Conservation Loan Account and the Borrower shall annually budget an amount sufficient to meet the repayment obligation imposed by this Agreement until such time as the Loan has been fully repaid, provided, however, that such budgeted amount shall be solely from energy savings or avoided costs resulting from the Project.

15. The Borrower shall retain all records for the loan application and Project for a period of three (3) years following the final repayment of the Loan.

16. The Borrower shall not raise the funds needed to meet its annual repayment obligation under this Agreement by the levy of additional taxes and shall not provide for such repayment by a charge against any established fund or account designated for a specific purpose. The annual repayments should be derived solely from energy savings or avoided costs resulting from implementation of the Project as identified in the Energy Act. In the event annual energy savings or avoided cost resulting from the Project fail to equal or exceed the amount due under this Agreement, this Agreement may be renegotiated to assure that the repayment amount does not exceed the actual energy savings or avoided costs resulting from the Project, and the promissory note will be revised accordingly.

17. In the event the Borrower fails to remit a scheduled payment to DED-DE within thirty (30) days of the due date of such payment, DED-DE shall initiate available remedies pursuant to Section 640.660 or 640.672 RSMo and other applicable law, and the Borrower agrees to and acknowledges the right of DED-DE to collect amounts owed under the Loan pursuant to such procedures and agrees to cooperate with DED-DE to obtain payment thereby.

18. The Borrower shall maintain the Project in good working order for the length of the Loan and shall ensure that staff members are provided appropriate training on the operation and maintenance of the Project. The Borrower shall provide insurance on the Project and, in the event of any casualty loss covered by such insurance policy, apply the proceeds to the repair of the Project or, with the approval of DED-DE, may use the insurance proceeds to install alternate ECM's to generate alternative energy cost savings to repay the Loan.

19. If, prior to final repayment of the Loan, the Borrower sells the equipment or material installed with the proceeds of the Project Costs Loan or sells the building, facility or system in which the Project has been implemented; then the Borrower shall apply the sale proceeds to repay any remaining balance due under this Agreement in full at the time of such sale.

20. To the extent allowed by law and without waiving sovereign immunity, the Borrower agrees to indemnify and hold harmless the State of Missouri, DED-DE, the Authority, their respective officers, agents and employees from and against any and all claims for death, damage, loss or personal injury arising from or connected with the Project.

21. No officer or employee of the Borrower shall participate in any decisions relating to this Agreement which affects his/her personal interest in any corporation, partnership or association in which he/she is directly or indirectly interested, or have any interest, direct, or indirect, in this Agreement or the proceeds thereof.

22. No officer or employee of DED-DE shall perform any service for any consideration for the Borrower after termination of employment with DED-DE for a period of one (1) year in relation to this Agreement or the Project with respect to which the officer or employee directly or personally participated during the period of his/her service or employment.

23. During the term of this Agreement, the Borrower and its contractors and subcontractors shall not engage in discriminatory practices based upon race, color, religion, national origin, sex, handicap or age with respect to recipients of services, employees or applicants for employment.

24. Any amendments to the Agreement shall be in writing and duly executed by both parties.

25. The provisions of this Agreement are joint and severable, and if a provision is held to be of no force or effect by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue to be binding upon the parties.

26. The Borrower's failure to comply with any of the terms of this Agreement shall constitute a breach of this Agreement. In the event of breach prior to Project Completion, DED-DE will not process additional disbursements until such breach is remedied. DED-DE will notify the Borrower of any breach of this Agreement in writing. In the event the Borrower fails to answer or remedy the breach to the satisfaction of DED-DE within sixty (60) days, the Borrower shall immediately repay to DED-DE the balance of all funds advanced plus accrued interest thereon. In the event that the Borrower fails to make a payment under the promissory note when due, the Bond Trustee, as assignee of the Authority, and DED-DE will have the right to take whatever action at law or in equity they deem necessary or appropriate to secure such repayment, including all remedies available to the Bond Trustee under the Bond Indenture.

27. Sections 640.651 to 640.686 RSMo, together with any applicable rules, regulations or procedures authorized by such statute, is incorporated by reference in this Agreement.

28. This Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of Missouri, without reference to conflicts of laws provisions.

29. The Borrower represents that this Agreement will not be rescinded or modified at any time now or in the future by any action of the Borrower's officials or governing board or body except as provided in this Agreement; nor does this Agreement violate any debt limit imposed by any ordinances, charter, by-laws, law or otherwise, that is applicable to the Borrower.

30. The Borrower certifies that it has full power and authority to enter into this Agreement, and this Agreement has been duly authorized, executed and delivered by the Borrower. The Borrower acknowledges that the resolution of its governing body authorizing it to enter into this Agreement also authorizes such further acts as are necessary, including execution of the promissory note, to implement and further the intent of this Agreement.

31. The Borrower acknowledges that DED-DE may choose to assign its rights under this Agreement to the Authority and that the Authority may assign its rights to the Bond Trustee, and Borrower approves and consents to these assignments. If DED-DE chooses to fund this loan through the proceeds of revenue bonds, Borrower assigns all of its right, title and interest in the Loan to the

EXHIBIT A
LOAN NO. DPDELEA3

Bond Trustee, as assignee of the Authority, to secure the obligations of the Borrower to make payments under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed.

Type/print name of Borrower

Signature

Date

Type/print name of Authorized Official

Title: _____

MISSOURI DEPARTMENT OF ECONOMIC
DEVELOPMENT-DIVISION OF ENERGY

Signature

Date

Kristy Manning

Authorized Official

Title: Division Director



Department of Economic Development
Division of Energy

ENERGY LOAN PROGRAM & ENERGIZE MISSOURI LOAN PROGRAM
APPROVED MEASURE(S) LIST

LOAN NUMBER		LOAN RECIPIENT		BUILDING, FACILITY, OR SYSTEM		
DPDELEA3		Lee's Summit Municipal Airport		Runway lighting		
APPROVED MEASURES FROM LOAN APPLICATION DATED/RECEIVED				AMENDED		
January 13, 2017						
ECM NO.	ECM CODE	ECM DESCRIPTION	TOTAL EST. COSTS	MAX. CONST. COSTS	ESTIMATED SAVINGS \$/YR	EST. MMBtu SAVINGS/YR
1	ECX	LED Runway Lights	248,070	30,890	3,574	22 - E
TOTAL			\$ 248,070	\$ 30,890	\$ 3,574	22 - E 0 - G
REMARKS (OFFICE USE ONLY)						
10 year loan at 2.75% and 1% loan origination fee.						

