

**AN ORDINANCE OF THE CITY OF NEVADA, MISSOURI, CONSENTING TO THE ASSIGNMENT AND TRANSFER OF THE CITY'S TAXABLE INDUSTRIAL REVENUE BONDS (MARETH ENTERPRISES, LLC PROJECT), SERIES 2017, ISSUED IN A PRINCIPAL AMOUNT NOT TO EXCEED \$960,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING AND IMPROVING AN INDUSTRIAL DEVELOPMENT PROJECT; AUTHORIZING THE OFFICERS OF THE CITY TO CARRY OUT ALL NECESSARY ACTIONS TO COMPLETE THE ASSIGNMENT AND TRANSFER OF THE BONDS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS RELATED TO THE ASSIGNMENT AND TRANSFER OF THE BONDS.**

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

**WHEREAS**, the City Council passed Ordinance No. 8193 on December 5, 2017, which (1) approved the Plan for an Industrial Development Project pursuant to the Act; (2) authorized the issuance by the City of its Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017, in the maximum principal amount of \$960,000 (the "**Bonds**") pursuant to a Trust Indenture dated as of December 1, 2017, by and between the City and BOKF, N.A., as Trustee (the "**Indenture**"), for the purpose of acquiring certain real property and the existing improvements thereon located at 1800 North Industrial Parkway (the "**Project Site**"), and improving the Project Site and existing improvements thereon (the "**Project**"), all as more fully described in the Indenture and the hereinafter defined Lease; (3) authorized the City to lease the Project and Project Site to Mareth Enterprises, LLC ("**Mareth**"); and (4) authorized the City to enter into a Performance Agreement with Mareth, under which Mareth is obligated to make certain payments to the City in consideration of the City issuing the Bonds; and

**WHEREAS**, Mareth desires to assign and transfer (the "**Assignment**") to Peerless Products, Inc. ("**Peerless**") any and all rights, title and interest it has in the Bonds and the related documents, including without limitation the Lease Agreement dated as of December 1, 2017, by and between the City and Mareth (the "**Lease**"), the Performance Agreement dated as of December 1, 2017, by and between the City and Mareth (the "**Performance Agreement**"), and the original Bonds (collectively, the "**Documents**"); and

**WHEREAS**, pursuant by Section 13.1(a) of the Lease, the City Council must consent to the Assignment; and

**WHEREAS**, the City Council hereby finds and determines that it is necessary and desirable for the improvement of the economic welfare and development of the City and within the public purposes of the Act that the City (i) authorize and consent to the Assignment, (ii) authorize and enter into certain documents to facilitate and consummate the Assignment, and (iii) take certain other actions deemed necessary to authorize, facilitate and consummate the Assignment.

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

**Section 1. Consent to Assignment.** The City hereby consents to the Assignment of the Bonds and related Documents to Peerless.

**Section 2. Authorization to Assign Bonds and Documents.** The City is hereby authorized to enter into and execute any documents deemed necessary to facilitate and consummate the Assignment of the Bonds to Peerless.

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

**Section 4. Execution of Documents.** The Mayor or the City Manager are hereby authorized to execute any and all documents assigning and transferring the Bonds (the “**Assignment Documents**”) and to deliver the assigned Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor or the City Manager are hereby authorized to execute the Assignment Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to attest to and affix the seal of the City to the Assignment Documents and Bonds, if necessary, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

**Section 5. Ratification of Prior Actions.** All prior actions taken by the City staff and consultants in conjunction with the Assignment and the Assignment Documents are hereby ratified and confirmed.

**Section 6. Further Authority.** The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds, the Assignment and the Assignment Documents. The Mayor or the City Manager are hereby authorized, through the term of the Lease, to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing or refinancing of the Project by Peerless) as may be required to carry out and comply with the intent of this Ordinance, the Indenture and the Lease. The Mayor or the City Manager are further authorized, on behalf of the City, to grant such consents, estoppels and waivers relating to the Bonds, the Indenture, the Lease or the Performance Agreement as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease or the tax exemption as provided for therein, waive an event of default or materially change the nature of the transaction. The City Clerk is authorized to attest to and affix the seal of the City to any document authorized by this Section.

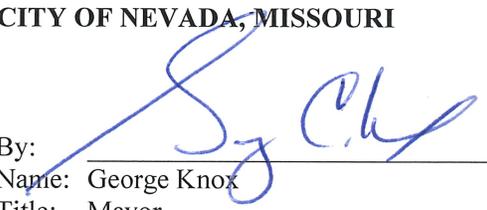
**Section 7. Severability.** If any section of this Ordinance is found by a court of competent jurisdiction to be invalid or unconstitutional, the remaining sections of this Ordinance shall remain valid unless otherwise directed by the court.

**Section 8. Effective Date.** This Ordinance shall take effect and be in full force immediately after its passage by the City Council.

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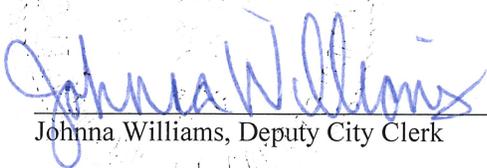
**PASSED, APPROVED, and ADOPTED** this 2nd day of July, 2019, by the Council of the City of Nevada, Missouri.

**CITY OF NEVADA, MISSOURI**

By:   
Name: George Knox  
Title: Mayor

[SEAL]

ATTEST:

  
Johnna Williams, Deputy City Clerk

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**TRANSCRIPT OF PROCEEDINGS**

**ASSIGNMENT OF**

**\$960,000**

**(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)**

**TAXABLE INDUSTRIAL REVENUE BONDS**

**(MARETH ENTERPRISES, LLC PROJECT)**

**SERIES 2017**

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**CITY OF NEVADA, MISSOURI**

**\$960,000**

**(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)**

**TAXABLE INDUSTRIAL REVENUE BONDS**

**(MARETH ENTERPRISES, LLC PROJECT)**

**SERIES 2017**

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**Document**

**No.**

**DOCUMENTS**

1. Recorded Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement.
2. Assignment of Bond #1.
3. Copy of Bond #2.
4. Representation Letter.
5. Officer's Certificate.

\* \* \*

Recorded in Vernon County, Missouri



Recording Date/Time: 07/18/2019 at 12:58:40 PM

Book: 2019 Page: 1584

Instr #: 2019R01590

Pages: 10

Fee: \$66.00 S 20190001577

FIRST AMERICAN TITLE



Shelly Baldwin  
Recorder of Deeds

Space Above for Recorder's Use Only

**DOCUMENT COVER SHEET**

**TITLE OF DOCUMENT:** Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement

**DATE OF DOCUMENT:** July 17, 2019

**GRANTOR:** MARETH ENTERPRISES, LLC,  
a Missouri limited liability company

**Mailing Address:** P.O. Box 416  
Purdy, Missouri 65734  
Attn: Chief Operations Officer

**GRANTEE:** PEERLESS PRODUCTS, INC.  
a Missouri corporation

**Mailing Address:** 2403 S. Main Street  
Fort Scott, Kansas 66701  
Attn: Bill Osbern

**LEGAL DESCRIPTION:** See Legal Description on Exhibit A

**REFERENCE BOOK & PAGE:** Book: 2017, Page: 2881, Instrument # 2017R02915  
Book: 2018, Page: 313, Instrument # 2018R00316  
Book: 2017, Page: 2882, Instrument # 2017R02916  
Book: 2018, Page: 314, Instrument # 2018R00317

**RETURN DOCUMENTS TO:** Armstrong Teasdale LLP  
3405 West Truman Blvd., Suite 210  
Jefferson City, Missouri 65109  
Attn: Benjamin L. Musholt, Esq.

When Recorded Return To: J. Reusch  
First American Title Insurance Company  
National Commercial Services  
1201 Walnut, Suite 700  
Kansas City, MO 64106  
File No: NCS 958112

**ASSIGNMENT AND ASSUMPTION OF CHAPTER 100 LEASE AGREEMENT  
AND PERFORMANCE AGREEMENT**

**THIS ASSIGNMENT AND ASSUMPTION OF CHAPTER 100 LEASE AGREEMENT AND PERFORMANCE AGREEMENT** (this “**Assignment**”) is entered into as of July 17, 2019 (the “**Effective Date**”) between **Mareth Enterprises, LLC**, a Missouri limited liability company (the “**Grantor**” or “**Assignor**”), having a mailing address of P.O. Box 416, Purdy, Missouri 65734, Attn: Chief Operations Officer, and **Peerless Products, Inc.**, a Missouri corporation (the “**Grantee**” or “**Assignee**”), having a mailing address of 2403 S. Main Street, Fort Scott, Kansas, 66701, Attn: Bill Osbern.

WITNESSETH:

WHEREAS, pursuant to that certain Trust Indenture (the “**Indenture**”), dated as of December 1, 2017, between the City of Nevada, Missouri (the “**City**”) and BOKF, N.A., (the “**Trustee**”), the City issued its Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017, in the aggregate maximum principal amount of \$960,000 (the “**Bonds**”); and

WHEREAS, the proceeds of the Bonds were used to acquire certain real property located at 1800 North Industrial Parkway in the City (the “**Project Site**,” as more fully described on **Exhibit A**, attached hereto and incorporated herein by reference), and improving the Project Site and the existing improvements thereon to be leased to and used by Assignor on the Project Site as they may at any time exist (collectively, the “**Project**”); and

WHEREAS, pursuant to that certain Lease Agreement between the City and Assignor dated as of December 1, 2017 (the “**Lease**”), and as memorialized in that certain Memorandum of Lease Agreement dated as of December 1, 2017, and recorded December 26, 2017, with the Vernon County, Missouri Recorder of Deeds in Book 2017, Page 2881, Instrument No. 2017R02915, as amended by that certain Frist Amendment to Memorandum of Lease Agreement dated as of January 1, 2018, and recorded February 7, 2018, with the Vernon County, Missouri Recorder of Deeds in Book 2018, Page 313, Instrument No. 2018R00316, Assignor leased from the City the Project (as defined in the Lease); and

WHEREAS, the Project is located on the Project Site; and

WHEREAS, the City and Assignor entered into that certain Performance Agreement dated as of December 1, 2017 (the “**Performance Agreement**”), in connection with the issuance of the Bonds, which is memorialized by that certain Memorandum of Performance Agreement dated as of December 1, 2017, and recorded December 26, 2017, with the Vernon County, Missouri Recorder of Deeds in Book 2017, Page 2882, Instrument No. 2017R02916, as amended by that certain Frist Amendment to Memorandum of Performance Agreement dated as of January 1, 2018, and recorded February 7, 2018, with the Vernon County, Missouri Recorder of Deeds in Book 2018, Page 314, Instrument No. 2018R00317; and

WHEREAS, Assignor hereby certifies that no default has occurred or would occur with the passage of time or the giving of notice under the Lease or Performance Agreement (such documents, together with the Bonds, being hereinafter collectively referred to as the “**Documents**”), and that all amounts due and owing have been paid pursuant to the provisions of the Documents;

WHEREAS, the Assignor desires to assign its rights, obligations and benefits under the Documents to Assignee and Assignee desires to accept and assume the rights and obligations of the Assignor under the Documents accruing from and after the Effective Date;

WHEREAS, the Documents require the City Council's consent to the assignment of the Documents; and

WHEREAS, the City Council passed Ordinance No. 8274 on July 2, 2019, consenting to this Assignment and authorizing Assignor's assignments of rights, obligations and benefits and Assignee's acceptance and assumption of those same rights, obligations and benefits.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, as applicable, hereby agree as follows:

1. Assignment and Assumption of Documents. As of the Effective Date, Assignor hereby grants, assigns and transfers to Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Documents (including all of Assignor's rights in the Lease and the Project) subject to the terms and conditions of this Assignment. Assignee hereby accepts from Assignor all of Assignor's right, title, and interest in, to and under the Documents (including all of Assignor's rights in the Lease and the Project), and all covenants and responsibilities due under the Documents, subject to the terms and conditions of this Assignment. As of the Effective Date, Assignee hereby assumes and agrees to be bound to the terms of the Documents and perform and fulfill all the terms, covenants, conditions, responsibilities, and obligations required to be performed and fulfilled by Assignor under the Documents which first arise or occur on or after the Effective Date. Notwithstanding anything contained herein or the Lease to the contrary, Assignee's assumption of obligations set forth herein expressly constitutes an assumption of all liabilities and obligations of Assignor under the Documents and Assignor shall be released from any further obligation thereunder. Except as otherwise provided in this Assignment, all references to Assignor in the Documents shall be deemed to refer to Assignee. Pursuant to Section 13.1(a)(iii) of the Lease, this Assignment shall include the entire then unexpired term of the Lease as of the Effective Date. Assignor and Assignee hereby agree to execute such other documents and instruments as reasonably required by the City or the Trustee under the Indenture to effectuate the assignment of the Bonds.

2. Indemnifications. Assignee agrees to and hereby does indemnify, protect, defend and hold harmless Assignor (including Assignor's officers, employees, directors, and agents) from any and all claims, damages, losses, suits, proceedings, costs, and expenses (including, without limitation, reasonable attorneys' fees), both known and unknown, present and future, at law or in equity, arising out of, by virtue of, or in any way related to the breach by Assignee of (or Assignee's failure to timely perform) any or all of the obligations imposed on the Assignee as tenant under the Lease which accrue from and after the Effective Date of this Assignment. For a period of six (6) months from and after the Effective Date of this Assignment, Assignor agrees to and hereby does indemnify, protect, defend and hold harmless Assignee (including Assignee's officers, employees, directors, and agents) from any and all claims, damages, losses, suits, proceedings, costs, and expenses (including, without limitation, reasonable attorneys' fees), both known and unknown, present and future, at law or in equity, arising out of, by virtue of, or in any way related to the breach by Assignor of (or Assignor's failure to timely perform) any or all of the obligations imposed on the Assignor as tenant under the Lease which accrue (or have accrued) prior to the Effective Date of this Assignment.

3. Assignor's Representations and Warranties. Assignor represents and warrants to the City, the Trustee, and Assignee as of the date of this Assignment the following:

(a) Assignor understands and intends that the City, the Trustee and the Assignee will rely on the representations and warranties contained herein.

(b) Assignor is not in default under the Documents.

(c) Assignor acknowledges that all amounts due and owing by it have been paid pursuant to the Documents.

4. Assignee's Representations and Warranties. Assignee represents and warrants to the City, the Trustee, and Assignor as of the date of this Assignment the following:

(a) Assignee understands and intends that the City, the Trustee, and the Assignor will rely on the representations and warranties contained herein.

(b) Assignee is a corporation duly organized and validly existing under the laws of the State of Missouri.

(c) Assignee agrees to operate the Project and the Project Site in accordance with the Documents.

5. Contingency. The Assignor and Assignee acknowledge and agree that this Assignment is contingent upon the closing of the sale of the Project Site by Assignor to Assignee pursuant to that certain Real Estate Leasehold Purchase and Sale Agreement dated as of April 23, 2019 (the "**Sale Contract**") entered into by and between Assignor, as seller, and Assignee, as purchaser. The Assignor, the Assignee and the City acknowledge and agree that in the event Assignor and Assignee do not close the Sale Contract or if the Sale Contract is terminated for any reason then (i) this Assignment shall be void and of no effect and (ii) the Assignor shall continue to receive the benefit of the Chapter 100 tax abatement in connection with the Project.

6. Miscellaneous.

(a) This Assignment is made in accordance with Section 13.1 of the Lease and Article V of the Performance Agreement.

(b) This Assignment shall be binding upon and inure to the benefit of the parties, and their successors and assigns, and the provisions hereof may not be modified without the written approval and consent of all parties hereto.

(c) This Assignment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

(d) From and after the Effective Date, all notices required or permitted to be sent to the tenant under the Lease shall be sent to Assignee at the following address, in the manner required under the Lease:

Assignee's Mailing Address:                      Peerless Products, Inc.  
2403 S. Main Street  
Fort Scott, Kansas 66701  
Attn: Bill Osbern

(e) All terms and conditions of the Documents not expressly modified by this Assignment are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this Assignment.

(f) This Assignment shall be governed in all respects by the laws of the State of Missouri.

(g) This Assignment shall be effective and any representations, warranties and certifications contained herein shall be true and correct as of the Effective Date.

*[Remainder of page intentionally left blank – signature page(s) to follow]*

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement to be executed by their duly authorized representatives as of the date first above written.

ASSIGNOR:

Mareth Enterprises, LLC

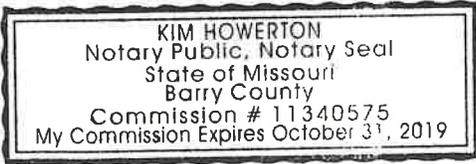
By: Mareth Management, Inc.,  
its Manager

By: [Signature]  
Name: ED MARETH  
Title: Pres.

STATE OF MISSOURI )  
COUNTY OF BARRY ) SS.

On this 15<sup>th</sup> day of July, 2019, before me personally appeared Ed Mareth, the President of MARETH MANAGEMENT, INC., a Missouri corporation, as Manager of MARETH ENTERPRISES, LLC, a Missouri limited liability company, known to me to be the person who executed the within instrument in behalf of the corporation, and acknowledged to me that he executed the same for the purposes therein stated.

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



[Signature]  
Notary Public (signature)

KIM HOWERTON  
(Type or print Notary Public's name)

My Commission Expires:  
October 31, 2019

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement to be executed by their duly authorized representatives as of the date first above written.

ASSIGNEE:

Peerless Products, Inc.

By: William F. Osbern  
Name: William F. Osbern  
Title: Chairman

STATE OF Kansas )  
 ) SS.  
COUNTY OF Bourbon )

On this 15<sup>th</sup> day of July, 2019, before me personally appeared William F. Osbern, the Chairman of PEERLESS PRODUCTS, INC., a Missouri corporation, known to me to be the person who executed the within instrument in behalf of the corporation, and acknowledged to me that he executed the same for the purposes therein stated.

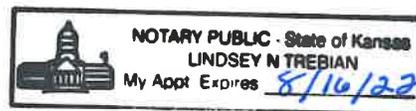
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year above written.

Lindsey N. Trebian  
Notary Public (signature)

Lindsey N. Trebian  
(Type or print Notary Public's name)

My Commission Expires:

8/16/22



**EXHIBIT A**

**LEGAL DESCRIPTION OF PROJECT SITE**

The land situated in the County of Vernon, State of Missouri, and described as follows:

**TRACT 1:**

ALL THAT PART OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION THIRTY-FOUR (34), TOWNSHIP THIRTY-SIX (36) NORTH, RANGE THIRTY-ONE (31) WEST, LYING WEST OF THE MISSOURI PACIFIC RAILROAD RIGHT-OF-WAY AND EAST OF THE RIGHT-OF-WAY OF U. S. HIGHWAY 71 AND U.S. HIGHWAY 71 PROPOSED BY-PASS (AS SET FORTH BY RIGHT-OF-WAY DEED RECORDED IN BOOK 290 AT PAGE 147 IN THE RECORDER'S OFFICE, VERNON COUNTY, MISSOURI), EXCEPT THE NORTH 424 FEET THEREOF.

**TRACT 2:**

THE EAST 227 FEET OF THE NORTH 424 FEET OF THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 31 WEST, VERNON COUNTY, MISSOURI, LYING WEST OF THE RIGHT-OF-WAY OF THE MISSOURI PACIFIC RAILROAD, EXCEPT THE NORTH 30 FEET, AND EXCEPT A TRACT DESCRIBED AS: BEGINNING IN THE WEST RIGHT-OF-WAY LINE OF THE MISSOURI PACIFIC RAILROAD AT A POINT 30 FEET SOUTH OF THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 34; RUN SOUTH 200 FEET; THENCE WEST 177 FEET; THENCE NORTH 200 FEET; THENCE EAST 177 FEET TO THE POINT OF BEGINNING.

ACKNOWLEDGEMENT BY TRUSTEE

BOKF, N.A., as Trustee, hereby acknowledges receipt of the foregoing Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement.

BOKF, N.A., AS TRUSTEE

By:   
Name: Victor Zarrilli  
Title: Senior Vice President

STATE OF MISSOURI            )  
  ) SS  
City OF St. Louis)

On this 15<sup>th</sup> day of July, 2019, before me appeared Victor Zarrilli, to me personally known, who, being duly sworn did say that he is an Authorized Signatory of BOKF, N.A., a national banking association and that said instrument was signed on behalf of said association by authority of its governing board and said individual acknowledged said instrument to be the free act and deed of said association.

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

  
Notary Public



My Commission Expires:

6/10/2020

ACKNOWLEDGEMENT AND CONSENT BY CITY

The City of Nevada, Missouri, hereby acknowledges receipt of and consents to the foregoing Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement.

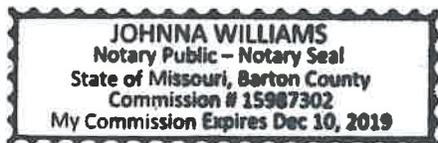
CITY OF NEVADA, MISSOURI

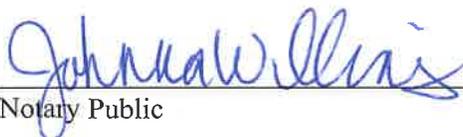
By:   
JD Kehrman, City Manager

STATE OF MISSOURI            )  
  ) SS  
COUNTY OF Barton        )

On this 11<sup>th</sup> day of July, 2019, before me appeared JD Kehrman, to me personally known, who, being duly sworn did say that he is the City Manager of the City of Nevada, Missouri, and that said instrument was signed on behalf of the City by authority of its City Council and said individual acknowledged said instrument to be the free act and deed of said City.

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



  
Notary Public

My Commission Expires:

12/10/2019

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**ASSIGNMENT**

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

PEERLESS PRODUCTS, INC.,  
2403 S. Main Street  
Fort Scott, Kansas 66701  
Attn: Bill Osbern  
EIN: 44-0627724

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

the Bond to which this assignment is attached, issued as part of those certain Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017, in the maximum principal amount of \$960,000, and all rights thereunder, and hereby irrevocably constitutes and appoints BOKF, N.A. to transfer the Bond on the books kept by the Trustee for the registration and transfer of the Bond, with full power of substitution in the premises.

Dated: July \_\_\_\_\_, 2019

MARETH ENTERPRISES, LLC,  
a Missouri limited liability company

By: MARETH MANAGEMENT, INC.,  
a Missouri corporation, its Manager

By:   
Name: ED MARETH  
Title: Pres.

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

 SIGNATURE GUARANTEED  
MEDALLION GUARANTEED

Signature Guaranteed By:

BOKF, N.A.

(04KMO)  
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM™  
29013521

By:   
Name: Victor Zarrilli  
Title: Senior Vice President

***THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.***

No. 2

Not to Exceed

**\$960,000**

**UNITED STATES OF AMERICA  
STATE OF MISSOURI**

**CITY OF NEVADA, MISSOURI  
TAXABLE INDUSTRIAL REVENUE BOND  
(MARETH ENTERPRISES, LLC PROJECT)  
SERIES 2017**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
5.0%	December 1 of the tenth (10th) calendar year following the Acquisition Date	December 22, 2017

**OWNER: PEERLESS PRODUCTS, INC.**

**MAXIMUM PRINCIPAL AMOUNT: NINE HUNDRED SIXTY THOUSAND DOLLARS**

**CITY OF NEVADA, MISSOURI**, a constitutional charter city organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2018, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

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

**THIS BOND** is one of a duly authorized series of Bonds of the City designated “City of Nevada, Missouri, Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017,” in the maximum aggregate principal amount of \$960,000 (the “Bonds”), to be issued for the purpose of acquiring certain real property located within the City (the “Project Site”) and acquiring and improving the improvements thereon. The City will lease the Project Site and the improvements thereon (collectively, the “Project”) to Peerless Products, Inc., a Missouri corporation (the “Company”) under the terms of a Lease Agreement dated as of December 1, 2017 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company pursuant to that certain Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement dated July 17, 2019, by and between Mareth Enterprises, LLC, a Missouri limited liability company, as assignor, and the Company, as assignee, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution, the statutes of the State of Missouri, including particularly the Act, the charter of the City, and pursuant to proceedings duly had by the governing body of the City.

**THE BONDS** are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of December 1, 2017 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and BOKF, N.A., St. Louis, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

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

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

If the Bonds are to be called for optional redemption, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least forty (40) days (ten (10) days if there is one Owner) before the scheduled redemption date. The Trustee shall then deliver written notice to the Owner of this Bond at least thirty (30) days (five (5) days if there is one Owner) before the scheduled redemption date by first-class mail (or facsimile, if there is one Owner) stating the date upon which the Bonds will be redeemed and paid.

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

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

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

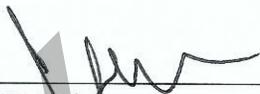
**THE BONDS** are issuable in the form of one fully-registered Bond in the maximum principal amount of \$960,000.

**THIS BOND** shall not be valid or become obligatory for any purposes or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

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

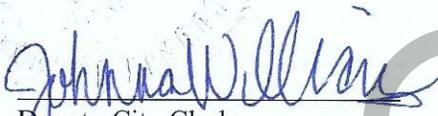
**IN WITNESS WHEREOF**, the City of Nevada, Missouri, has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk and its corporate seal to be affixed hereto or imprinted hereon.

**CITY OF NEVADA, MISSOURI**

By:   
Name: JD Kehman  
Title: City Manager

[SEAL]

ATTEST:

By:   
Deputy City Clerk

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**CERTIFICATE OF AUTHENTICATION**

This Bond is the Taxable Industrial Revenue Bond (Mareth Enterprises, LLC Project), Series 2017, described in the Trust Indenture. The effective date of registration of this Bond is set forth below.

**BOKF, N.A., as Trustee**

July 17, 2019  
Date

By:   
Authorized Signatory



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**FORM OF ASSIGNMENT**

***(NOTE RESTRICTIONS ON TRANSFERS)***

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

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

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

Dated: \_\_\_\_\_.

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

Signature Guaranteed By:

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

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

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## REPRESENTATION LETTER

City of Nevada, Missouri  
110 S. Ash St.  
Nevada, Missouri 64772  
ATTN: City Manager

BOKF, N.A.  
200 N. Broadway, Suite 1710  
St. Louis, Missouri 63102  
ATTN: Corporate Trust Department

Re: \$960,000 Maximum Principal Amount of Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017 of the City of Nevada, Missouri

Ladies and Gentlemen:

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

1. The undersigned fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of December 1, 2017 (the "Indenture"), between the City of Nevada, Missouri (the "City") and BOKF, N.A., as trustee (the "Trustee"), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Peerless Products, Inc., a Missouri corporation (the "Company"), under a Lease Agreement dated as of December 1, 2017 (the "Lease"), between the City and the Company by way of assignment pursuant to that certain Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement dated as of July 1, 2019, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.
2. The undersigned understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward its distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds.
3. The undersigned agrees not to attempt to offer, sell, hypothecate or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and, if requested by the City, upon receipt of an opinion of counsel reasonably acceptable to the City, the Company and the purchaser that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

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

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

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

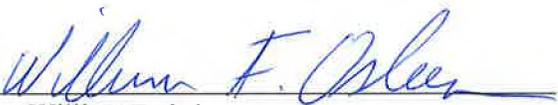
7. The undersigned understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

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

9. The undersigned is the lessee under the Lease or (a) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933, or (b) any general business corporation or enterprise with total assets in excess of \$100,000,000.

Dated: July 15<sup>th</sup>, 2019

**PEERLESS PRODUCTS, INC.**

By:   
Name: William F. Osbern  
Title: Chairman

**OFFICER'S CERTIFICATE**

I, Ed Mareth, President of Mareth Management, Inc., the duly appointed Manager of Mareth Enterprises, LLC, an Missouri limited liability company (the "Company"), hereby certify as follows:

1. Mareth Management, Inc. is authorized to execute and deliver on behalf of the Company any and all documents which the Company is required to execute and deliver in connection with the assignment and transfer (the "Assignment") of the City of Nevada, Missouri Taxable Industrial Revenue Bonds (Mareth Enterprises, LLC Project), Series 2017, in the maximum principal amount of \$960,000 (the "Bonds"), issued pursuant to that certain Trust Indenture dated as of December 1, 2017, by and between the City of Nevada, Missouri (the "City") and the Company (the "Indenture"), and the assignment of the related documents, including without limitation the Lease Agreement dated as of December 1, 2017, by and between the City and the Company (the "Lease"), the Performance Agreement dated as of December 1, 2017, by and between the City and the Company (the "Performance Agreement"), and the original Bonds and any other related documents (collectively, the "Documents"), and to take such further action as deemed necessary, desirable, advisable, or appropriate to consummate, effectuate, carry out or complete the terms and conditions of the Assignment and Documents.

2. The enclosed Assignment of the Bonds and the Assignment and Assumption of Chapter 100 Lease Agreement and Performance Agreement signed by Mareth Management, Inc. was duly authorized and executed on behalf of the Company.

3. The Company desires to assign any and all of its rights, title and interest in the Bonds, and any Documents related thereto, to Peerless Products, Inc.

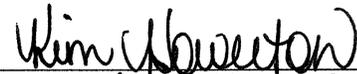
IN WITNESS WHEREOF, the undersigned has hereto executed this certificate as of the 12th day of July, 2019.

Mareth Enterprises, LLC  
By: Mareth Management, Inc., Manager  
By:   
Name: Ed Mareth  
Title: President

State of Missouri )  
                          ) SS.  
County of Barry )

On this 12th day of July, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Ed Mareth, to me personally known, who, being by me duly sworn, did say that he is the President of Mareth Management, Inc., Manager of **MARETH ENTERPRISES, LLC**, a Missouri limited liability company, and that said instrument was signed on behalf of said limited liability company by authority of its governing body, and said officer acknowledged said instrument to be the free act and deed of said limited liability company.

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

  
Name: KIM HOWERTON  
Notary Public in and for said State of Missouri

My Commission Expires: October 31, 2019

