



CITY COMMISSION MEETING
AGENDA FOR NOVEMBER 24, 2015
5:30 P.M.
CITY HALL COMMISSION CHAMBERS
300 SOUTH FIFTH STREET

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADDITIONS/DELETIONS

	I.	<u>MINUTES</u>
	II.	<u>MUNICIPAL ORDER</u>
		A. Personnel Actions
	III.	<u>ORDINANCE – ADOPTION</u>
		A. February Snow Storm FEMA Disaster Funding – S. ERVIN
		B. Approval of Loan Documents for Genova – CITY MGR PEDERSON
	IV.	<u>ORDINANCE - INTRODUCTION</u>
		A. An Ordinance Approving Request of Paducah-McCracken County Emergency Communications Service Board for Funds to Hire Consultant for Equipment Replacement – POLICE CHIEF BARNHILL
	V.	<u>CITY MANAGER REPORT</u>
	VI.	<u>MAYOR & COMMISSIONER COMMENTS</u>
	VII.	<u>PUBLIC COMMENTS</u>
	VIII.	<u>EXECUTIVE SESSION</u>

NOVEMBER 17, 2015

At a Regular Meeting of the Board of Commissioners, held on Tuesday, November 17, 2015, at 5:30 p.m., in the Commission Chambers of City Hall located at 300 South 5th Street, Mayor Kaler presided, and upon call of the roll by the City Clerk, the following answered to their names: Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

INVOCATION

David Barnett, First Baptist Church Associate Pastor for Discipleship, gave the invocation.

PLEDGE OF ALLEGIANCE

John Holtgrewe, Junior at Paducah Tilghman High School, led the pledge.

ADDITIONS/DELETIONS TO AGENDA

Item V(B), Approval of Loan Documents for Genova was added to the agenda under Ordinance-Introduction.

PRESENTATIONS

CIVIC BEAUTIFICATION BOARD ANNUAL BUSINESS AWARDS

Board member Mary Hammond announced the 2015 winners. They are as follows:

1. Jennings & Associates Financial Advisors, LLC
2. Dry Ground Brewing
3. Superior Care
4. Paducah Orthopedic Institute
5. Red's Donuts
6. MAKE
7. Italian Grill on Broadway
8. Troutt Old Time General Store & Market
9. Higdon Outdoors
10. Paducah Beer Werks

BBQ ON THE RIVER FESTIVAL EVENT RECAP

Executive Director David Boggs gave an update to the Board about this year's event that was held September 24 through September 26 in downtown. This year the total amount raised for charity was \$466,768.28, an increase of over \$32,000 from last year. There were 32 contestants and 38 food vendors that participated in the event. Mr. Boggs also invited two barbecue teams, Regulators and Tilford's Q Krew, and representatives of their supporting charities to attend the meeting and provide comments about the festival. Angie Falconite with Cassidy's Cause Therapeutic Riding Academy thanked the support of the Regulators barbecue team which raised more than \$16,000 for the charity. Lori Brown with the Purchase Area Sexual Assault Center thanked Tilford's Q Krew for raising more than \$25,000 for PASAC, the most raised for any charity.

MINUTES

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the reading of the Minutes for the November 10, 2015, City Commission meeting be waived and the Minutes of said meeting prepared by the City Clerk be approved as written.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

NOVEMBER 17, 2015

APPOINTMENTS

HISTORICAL AND ARCHITECTURAL REVIEW COMMISSION

Mayor Kaler made the following reappointments: “WHEREAS, subject to the approval of the Board of Commissioners, I hereby reappoint Heather Coltharp, Christopher B. Jones and Rodney Worak as members of the Historical and Architectural Review Commission. These terms will expire June 4, 2018.”

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners approve the action of Mayor Kaler in reappointing Heather Coltharp, Christopher B. Jones and Rodney Worak as members of the Historical and Architectural Review Commission.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

CITY HALL SCHEMATIC DESIGN ADVISORY GROUP

Mayor Kaler made the following appointment: “WHEREAS, subject to the approval of the Board of Commissioners, I hereby appoint Lindsey Maestri as a member of the City Hall Schematic Design Advisory Group to replace Michael Sims.”

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners approve the action of Mayor Kaler in appointing Lindsey Maestri as a member of the City Hall Schematic Design Advisory Group.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

MUNICIPAL ORDER

PERSONNEL CHANGES

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that upon the recommendation of the City Manager the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.

(SEE MUNICIPAL ORDER BOOK)

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

ORDINANCE – ADOPTION

AMEND ZONING REGULATIONS FOR HOMELESS SHELTERS

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE AMENDING CHAPTER 126-72, “HOMELESS SHELTERS” OF THE CODE OF ORDINANCES OF THE CITY OF PADUCAH, KENTUCKY.” This ordinance is summarized as follows: This Ordinance amends Chapter 126, Sec. 72, “Homeless Shelters,” of the *Code of Ordinances of the City of Paducah, Kentucky*, so as to bring this Ordinance into compliance with the mandates imposed by KRS 65.870 as may be amended.

NOVEMBER 17, 2015

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD.#2015-11-8325; BK 34

ORDINANCE – INTRODUCTION

FEBRUARY SNOW STORM FEMA DISASTER FUNDING

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an ordinance entitled, “AN ORDINANCE ACCEPTING FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) REIMBURSEMENT FUNDS FOR EXPENDITURES RELATED TO SNOW REMOVAL EFFORTS ASSOCIATED WITH THE FEBRUARY 2015 WINTER STORM (FEMA DISASTER NO.: FEMA-4216-DR-KY).” This ordinance is summarized as follows: That the City of Paducah hereby accepts Federal Emergency Management Agency (FEMA) funds through the Commonwealth of Kentucky Office of Emergency Management in the amount of \$26,682.58 for expenditures related to snow removal efforts associated with the February 2015 winter storm.

ORDINANCE – ADOPTION

AUTHORIZE PROFESSIONAL ENGINEERING SERVICE AGREEMENT FOR CONSTRUCTION ADMINISTRATION AND RESIDENT INSPECTION SERVICES FOR THE RIVERFRONT REDEVELOPMENT PROJECT PHASE 1-B

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY, APPROVING AN AGREEMENT FOR PROFESSIONAL ENGINEERING CONSTRUCTION ADMINISTRATION AND RESIDENT INSPECTION SERVICES ASSOCIATED WITH THE RIVERFRONT REDEVELOPMENT PROJECT PHASE 1-B, AND AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT.” This ordinance is summarized as follows: The City hereby approves an Agreement for professional engineering construction administration and resident inspection services with Bacon Farmer Workman Engineering & Testing, Inc. (BFW) associated with the Riverfront Redevelopment Project Phase 1-B in an amount not to exceed \$126,380.00. Further, the Mayor of the City is hereby authorized to execute the Agreement.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD.#2015-11-8326; BK 34

ORDINANCE – INTRODUCTION

APPROVAL OF LOAN DOCUMENTS FOR GENOVA

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners introduce an ordinance entitled, “AN ORDINANCE AUTHORIZING AND APPROVING A TERM LOAN WITH A MULTIPLE ADVANCE DRAW FEATURE FROM THE CITY OF PADUCAH AND MCCRACKEN COUNTY TO GENOVA PRODUCTS, INC.” This ordinance is summarized as follows: This Ordinance authorizes and approves the extension of a term loan of up to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) to Genova Products, Inc., a Michigan corporation, to be financed jointly and equally with McCracken County, with a multiple advance draw feature for the sole purpose of purchasing trade fixtures, equipment, and fixtures for the public project and creates additional and new job opportunities to Kentucky residents. The Ordinance further authorizes the execution of the Loan Agreement, Security Agreement, Subordination Agreement, and other related loan documents.

NOVEMBER 17, 2015

CITY MANAGER REPORT

- City Manager Jeff Pederson explained a handout he gave to the Commission regarding financing for a \$4.9M proposed bond issue that will be used to pay for the relocation of the pavilion and improvements to the Expo Center and Julian Carroll Convention Center.
- Mr. Pederson also requested an executive session to discuss potential litigation.

MAYOR & COMMISSIONER COMMENTS

No comments were given.

PUBLIC COMMENTS

No public comments were given.

EXECUTIVE SESSION

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the Board go into closed session for discussion of matters pertaining to the following topic(s):

- Proposed or pending litigation, as permitted by KRS 61.810(1)(c).

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

Upon motion the meeting adjourned.

ADOPTED: December 1, 2015

City Clerk

Mayor

CITY OF PADUCAH
November 24, 2015

Upon the recommendation of the City Manager, the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.



City Manager's Signature



Date

CITY OF PADUCAH
PERSONNEL ACTIONS
November 24, 2015

NEW HIRE - FULL-TIME (F/T)

<u>EPW - SOLID WASTE</u>	<u>POSITION</u>	<u>RATE</u>	<u>NCS/CS</u>	<u>FLSA</u>	<u>EFFECTIVE DATE</u>
Norton, Carl	Truck Driver	\$16.72/Hr	NCS	Non-Ex	December 3, 2015

NEW HIRES - PART-TIME (P/T)/TEMPORARY/SEASONAL

<u>PARKS SERVICES</u>	<u>POSITION</u>	<u>RATE</u>	<u>NCS/CS</u>	<u>FLSA</u>	<u>EFFECTIVE DATE</u>
Tyler, Robert	Recreation Leader	\$11.00/Hr	NCS	Non-Ex	December 3, 2015

PAYROLL ADJUSTMENTS/TRANSFERS/PROMOTIONS/TEMPORARY ASSIGNMENTS

<u>PARKS SERVICES</u>	<u>PREVIOUS POSITION AND BASE RATE OF PAY</u>	<u>CURRENT POSITION AND BASE RATE OF PAY</u>	<u>NCS/CS</u>	<u>FLSA</u>	<u>EFFECTIVE DATE</u>
Bogard, Jason R	Parks Maintenance Laborer \$9.00/Hr	Recreation Leader \$11.00/Hr	NCS	Non-Ex	November 23, 2015

FIRE - SUPPRESSION

Pendergrass, Brian	FF/Relief Driver \$14.35/Hr	Acting Fire Lieutenant \$16.00/Hr	NCS	Non-Ex	October 1, 2015
Pendergrass, Brian	Acting Fire Lieutenant \$16.00/Hr	FF/Relief Driver \$14.35/Hr	NCS	Non-Ex	November 4, 2015

TERMINATIONS - PART-TIME (P/T)/TEMPORARY/SEASONAL

<u>EPW - FLOODWALL</u>	<u>POSITION</u>	<u>REASON</u>	<u>EFFECTIVE DATE</u>
Anderson, Paul E	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Brown, Robert L	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Evans, Rickey D	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Hudson, Aaron W	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Keith, Peggy J	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Piper, Michael D	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Poole, Cynthia L	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Ringstaff, Joe C	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Smith, James B	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Sullivan, John R	Temporary Pump Operator	Temp / Seasonal	November 17, 2015
Wright, Donald E	Temporary Pump Operator	Temp / Seasonal	November 17, 2015

**Agenda Action Form
Paducah City Commission**

Meeting Date: 17 November 2015

Short Title: FEMA Disaster Recovery Funding associated with February 2015 Winter Storm

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Sheryl Chino, Chris Yarber

Presentation By: Steve Ervin

Background Information: The Federal Emergency Management Agency (FEMA) has awarded \$26,682.58 to the City of Paducah for reimbursement of expenditures related to snow removal efforts associated with the February 2015 Winter Storm (FEMA Disaster No.: FEMA-4216-DR-KY). Expenditures related to the winter storm include: snow removal, overtime costs, equipment usage, equipment rental, and reimbursement for materials such as salt and brine.

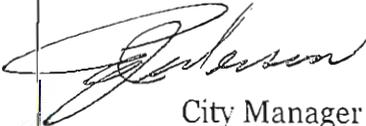
Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name:
 Account Number: 001-0000-421.15-00
 Project Number:

Finance

Staff Recommendation: Accept FEMA awarded for snow removal efforts associated with the February 2015 Winter Storm.

Attachments:

 Department Head	City Clerk	 City Manager
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ORDINANCE NO. 2015 - _____

AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY, AUTHORIZING AND APPROVING A TERM LOAN WITH A MULTIPLE ADVANCE DRAW FEATURE FROM THE CITY OF PADUCAH AND MCCRACKEN COUNTY TO GENOVA PRODUCTIONS, INC., WITH RESPECT TO A PUBLIC PROJECT; AND AUTHORIZING THE EXECUTION OF THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS RELATED THERETO

WHEREAS, the City of Paducah, Kentucky (the "City") has previously determined, and hereby further determines, that it is a public purpose to reduce unemployment in the City, to increase the City's tax base, to foster economic development within the City and to promote the development of a skilled workforce, all to the benefit of the citizens and residents of the City; and

WHEREAS, the City and McCracken County (the "County") jointly own an industrial building located at 5400 Commerce Drive within the boundaries of Paducah, McCracken County, Kentucky, (the "Project Site") which building was constructed by the City and the County for the public purpose of economic development; and

WHEREAS, the City and the County have leased the aforesaid building and the Project Site (collectively, the "Premises") to Genova Productions, Inc., a Michigan corporation ("Genova") by Lease Agreement dated June 30, 2014, for the purposes of locating, equipping, operating and managing a manufacturing and distribution facility of vinyl building products, and the hiring and maintaining 125 new full-time employees at the Premises, which will promote the public purpose of the City and the County (the Project"); and

WHEREAS, ancillary thereto, and in consideration of Genova's commitment to hire and maintain up to 125 new full-time employees at the Premises, as set forth in that certain Memorandum of Understanding among the City, the County, G.P.E.D.C., Inc., and Genova with an effective date of June 29, 2014 (the "MOU"), the City and the County have agreed to extend a certain term loan of up to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) with a multiple advance draw feature to Genova for the sole purpose of purchasing trade fixtures, equipment, and fixtures for the Project that enhances its operations on the Premises and creates additional and new job opportunities to Kentucky residents on the condition that, among other things, that Genova enters into a loan agreement with the City and the County and any and all other agreements, documents and instruments of any kind executed or delivered in connection with, or evidencing, securing, guaranteeing or relating to, this term loan.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PADUCAH, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The City hereby authorizes and approves the extension of a term loan of up to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00), to be financed jointly and equally with the County, with a multiple advance draw feature to Genova for the sole purpose of purchasing trade fixtures, equipment, and fixtures for the Project that enhances its operations on the Premises and creates additional and new job opportunities to Kentucky residents, subject to the terms and conditions set forth in that certain Loan Agreement among the City, the County, and Genova (the "Loan Agreement"), in substantially the same form attached hereto as Exhibit A and made a part hereof. It is further determined that it is necessary and desirable and in the best interest of the City to enter into the Loan Agreement for the purposes therein specified, and the execution and delivery of the Loan Agreement and related loan documents is hereby authorized and approved. The Mayor of the City is hereby authorized to execute the Loan Agreement, together with the Security Agreement in substantially the same form attached hereto as Exhibit B and made a part hereof, the Subordination Agreement in substantially the same form attached hereto as Exhibit C and made a part hereof, and any and all other agreements, documents and instruments of any kind executed or delivered in connection with, or evidencing, securing, guaranteeing or relating to, this term loan extended to Genova, with such changes in the Loan Agreement, Security Agreement, and the Subordination Agreement not inconsistent with this Ordinance and not substantially adverse to the City as may be approved by the official executing the same on behalf of the City or the City Manager. The approval of such changes, and that such are not substantially adverse to the City, shall be conclusively evidenced by the execution of the Loan Agreement, Security Agreement, and the Subordination Agreement by the authorized official.

Section 2. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 3. Compliance With Open Meetings Laws. The City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 4. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 5. Effective Date. This Ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

MAYOR

ATTEST:

City Clerk

Introduced by the Board of Commissioners, _____, 2015

Adopted by the Board of Commissioners, _____, 2015

Recorded by City Clerk, _____, 2015

Published by *The Paducah Sun*, _____, 2015

EXHIBIT A TO THE ORDINANCE

LOAN AGREEMENT

See attachment

LOAN AGREEMENT

Principal Amount: \$1,100,000.00

Date: _____, 2015

THIS LOAN AGREEMENT made and executed this _____ day of _____, 2015, by and among **MCCRACKEN COUNTY, KENTUCKY** ("County"), with a principal mailing address of 300 South 7th Street, Paducah, Kentucky 42003; and **CITY OF PADUCAH, KENTUCKY** ("City"), with a principal mailing address of Post Office Box 2267, Paducah, Kentucky 42002-2267 (County and City shall collectively be referred to as the "Lessor"), and **GENOVA PRODUCTS, INC.**, a Michigan corporation, with a principal mailing address of Post Office Box 309, Davison, Michigan 48423 (the "Lessee")

WITNESSETH:

WHEREAS, capitalized terms used and not otherwise defined in this preamble shall have the respective meanings ascribed thereto in Section 1 of this Agreement set forth below; and

WHEREAS, the Lessor has a compelling public interest in fostering economic development and promoting the development of a skilled workforce, all to the benefit of the citizens and residents of the city of Paducah and the county of McCracken, Kentucky; and

WHEREAS, the Lessor owns the Building and has determined that it is in the best interest of citizens of the City of Paducah and McCracken County that Lessor rent the Building and the Project Site (collectively, the "Premises") to Lessee for the purposes of locating, equipping, operating and managing a manufacturing and distribution facility of vinyl building products, and the hiring and maintaining 125 new full-time employees at the Premises, all as more particularly set forth in the MOU, which will promote the public purpose of the Lessor; and

WHEREAS, Lessor and Lessee have entered into a written lease agreement dated June 30, 2014 wherein Lessor has leased Lessee the Premises for the operation and management of the Project; and

WHEREAS, ancillary thereto, and in consideration of Lessee's commitment to hire and maintain up to 125 new full-time employees at the Premises, Lessor has agreed to extend certain credit to Lessee for the sole purpose of purchasing trade fixtures, equipment, and fixtures for the Project that enhances its operations on the Premises and creates additional and new job opportunities to Kentucky residents on the condition that, among other things, Lessee enters into this Agreement, and, subject to the terms and conditions of this Agreement, Lessor has agreed to extend to Lessee a multiple advance draw loan of up to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00).

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, which is hereby acknowledged by all parties hereto, the parties do covenant and agree as follows:

1. **Definitions.** Each of the following terms as used in this Agreement shall have the meaning that is ascribed to that term:

“*Advance*” means each loan of money or credit made or extended to or for the benefit of Lessee by Lessor pursuant to this Agreement.

“*Agreement*” shall mean this Loan Agreement.

“*Approved Equipment Costs*” shall mean and include the acquisition costs of Lessee’s trade fixtures, equipment, and fixtures that are installed on the Premises and are determined by Lessor, in its reasonable discretion as enhancing Lessee’s operations on the Premises and create additional and new job opportunities to Kentucky residents, and shall not include accrued interest or penalty payments resulting from the aforesaid acquisitions.

“*Building*” shall mean that certain existing industrial building located on the Project Site.

“*Change of Control*” means that:

(a) Permitted Holders fail to own and control, directly or indirectly, 50.1% of the equity interests of Lessee entitled (without regard to the occurrence of any contingency) to vote for the election of members of the board of directors of Lessee;

(b) any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as in effect from time to time (the “Exchange Act”)), other than Permitted Holders, becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 20%, or more, of the equity interests of Lessee entitled (without regard to the occurrence of any contingency) to vote for the election of members of the board of directors of Lessee; or

(c) a majority of the members of the board of directors of Lessee do not constitute Continuing Directors.

“*City*” shall mean the City of Paducah, Kentucky, a municipal corporation and political subdivision of the Commonwealth of Kentucky.

“*Closing*” means the time and place of actual execution and delivery of this Agreement, except as waived by Lessor, the other documents, instruments, and things required by Section 5 hereof.

“*Closing Date*” means the date of this Agreement.

“*Collateral*” has the meaning given such term in the Security Agreement.

"County" shall mean the County of McCracken, Kentucky, a county and political subdivision of the Commonwealth of Kentucky.

"Default" means the occurrence of an event described in Section 6 hereof regardless of whether there shall have occurred any passage of time or giving of notice that would be necessary in order to constitute such event as an Event of Default.

"Event of Default" means the occurrence of an event described in Section 6 hereof provided that there shall have occurred any passage of time or giving of notice that would be necessary in order to constitute such event as an Event of Default under Section 6.

"FTEs" shall mean full-time employees hired by Lessee (i) with an average hourly compensation of \$13.11 per hour, (ii) which receive health insurance benefits with a minimum of 50% Lessee contribution, (iii) which are subject to the City's license fees as defined under Article IV of the Paducah Code of Ordinance, Sections 106-183 and 106-184, (iv) who satisfy the Kentucky residency criteria under the provisions of the Kentucky Economic Development Finance Authority Direct Loan Program (KRS 154.32-010 (18)(a), and (v) who are required to work a minimum of forty (40) hours per week. FTEs shall not include "temporary workers" or "leased employees" as defined under Kentucky law.

"Lease" shall mean that certain Lease Agreement dated as of June 30, 2014, by and between the Lessor and the Lessee, as amended or supplemented from time to time in accordance with the terms hereof.

"Lessee" shall mean Genova Products, Inc., a Michigan corporation.

"Lessor" shall mean collectively the City and the County, or their joint designee.

"Loan" means the Multiple Advance Draw Loan and other extensions of credit, if any, being made by Lessor to Lessee pursuant to this Agreement.

"Loan Documents" means this Agreement, and the Security Agreement, and any and all other agreements, documents and instruments of any kind executed or delivered in connection with, or evidencing, securing, guaranteeing or relating to, the Loan, whether heretofore, simultaneously herewith or hereafter delivered, together with any and all extensions, revisions, modifications or amendments at any time made to any of the foregoing.

"Material Adverse Change" means the occurrence of an event which has a material adverse effect on (a) the Lessee's business or financial condition; (b) the rights and remedies of Lessor against Lessee under this Agreement, (c) the ability of the Lessee to perform its obligations under this Agreement, the Lease or the Security Documents, or (d) the priority of the Lessor's security interest against the Collateral.

"MOU" shall mean that certain Memorandum of Understanding among the Lessor and the Lessee relating to the Project, executed by the respective parties thereto with an effective date of June 29, 2014, as amended or supplemented by this Agreement, and which amended and modified MOU is hereby incorporated as a part of this Agreement.

"Multiple Advance Draw Loan" means the loan which Lessor has agreed to advance to Lessee in accordance with the terms of Section 2 of this Agreement in the principal aggregate amount of One Million One Hundred Thousand Dollars (\$1,100,000.00), and includes any amendment to or modification of this Agreement and any promissory note given in extension or renewal of, or in substitution for, this Agreement.

"Multiple Advance Draw Loan Amount" shall initially mean \$0. On the date, if ever, that the total number of FTEs hired and retained by Lessee is eighteen (18) or more, the *"Multiple Advance Draw Loan Amount"* shall automatically increase to Nine Hundred Thousand Dollars (\$900,000.00). On the date, if ever, that the total number of FTEs hired and retained by Lessee is fifty (50) or more, the *"Multiple Advance Draw Loan Amount"* shall automatically increase to One Million One Hundred Thousand Dollars (\$1,100,000.00).

"Obligations" means all unpaid principal of and accrued and unpaid interest (including interest that accrues after the commencement of an insolvency proceeding with respect to Lessee, regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding) on the Loan, all accrued and unpaid fees and all expenses (including fees and expenses that accrue after the commencement of an insolvency proceeding with respect to Lessee, regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding), reimbursements, indemnities and other obligations of the Lessee to Lessor arising under the Loan Documents, and all other Indebtedness, obligations and liabilities of any kind owing by Lessee to Lessor whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any insolvency proceeding with respect to Lessee (regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding), whether arising from an extension of credit, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

"Permitted Holder" means (a) each of Robert Williams, Jeanne Williams, Lori Long, Keri DeBoer, Gregory Maletic, and Michael Maletic and (b) any trust or other estate-planning vehicle established for the benefit of any such individual and in respect of which such individual serves as trustee or in a similar capacity.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.

"Premises" shall mean, collectively, the Building and the Project Site.

"Project" shall mean the locating, equipping, operating and managing of a manufacturing and distribution facility of vinyl building products on the Premises by Lessee, all as more particularly set forth in this Agreement and the MOU.

"Project Site" shall mean the site on which the Building is located and Lessee is to equip, operate and manage the Project, which site is generally located at 5400 Commerce Drive, Paducah, McCracken County, Kentucky, and is more particularly described in Exhibit A attached hereto.

“Security Agreement” shall mean the Security Agreement dated as of even date herewith by Lessee in favor of Lessor, as it may be amended, restated, replaced or supplemented from time to time.

“*Subsidiary*” means any corporation, partnership or limited liability company or joint venture in which (i) any general partnership interest or (ii) more than fifty percent (50%) of the stock, limited liability company interest or joint venture of which by the terms thereof ordinary voting power to elect the Board of Directors, managers or trustees of the entity, at the time as of which any determination is being made, is owned by Borrower, either directly or through an affiliate.

2. The Multiple Advance Draw Loan.

Subject to the terms and conditions herein set out, the Lessor agrees and commits, from time to time, to make loan advances to Lessee, in amounts which shall not exceed the aggregate principal amount of the Multiple Advance Draw Loan Amount for the purpose of funding Lessee’s Approved Equipment Costs. Lessee acknowledges and agrees that the Multiple Advance Draw Loan is a term loan and not a revolving line of credit. ~~and that once a portion of the loan funds drawn down under this Loan Agreement have been repaid, the repaid portion of the principal amount~~ Funds advanced under this Loan shall not be redrawn or re-borrowed by Lessee.

2.1 Conditions to Each Loan Advance. Lessee shall have the right to request and obtain Advances of the Loan to pay the Approved Equipment Costs as those costs are incurred, subject to the following conditions:

- (a) At the time of each Advance, Lessor shall be satisfied that:
 - (i) Lessee has substantially complied with all of its obligations or duties under this Agreement, the Lease, and the Security Agreement;
 - (ii) Lessee has hired and retained not less than eighteen (18) FTEs, if the Loan Amount is Nine Hundred Thousand Dollars (\$900,000.00), or not less than fifty (50) FTEs, if the Loan Amount is One Million One Hundred Thousand Dollars (\$1,100,000.00) and provides Lessor with verification of the FTEs satisfactory to Lessor;
 - (iii) No Event of Default shall have occurred and be continuing under this Agreement, the Lease, and the Security Agreement;
 - (iv) All of the Loan Documents shall have remained in full force and effect; and
 - (v) There shall exist no action, suit, investigation, litigation or proceeding affecting Lessee or threatened in writing before any court, governmental agency or arbitrator that (A) would have a material adverse effect, or (B) purports to affect the legality, validity or enforceability of this Agreement, the Lease, or any other Loan Document or the consummation of the transactions contemplated hereby.

(b) To obtain each Advance from the Multiple Advance Draw Loan, Lessee shall submit a written request for each Advance (“Request for Advance”) which describes the amount of the Advance, the assets to be purchased from the Advance, and the costs that are attributable to each asset. Each Request for Advance shall be duly signed and certified by the Lessee’s designated representative, accompanied by a copy of Lessee’s current financial statements and a verification of the FTEs in a form satisfactory to Lessor.

(c) Lessor shall have the right to verify the information that is contained in the Request for Advance. Lessee shall provide Lessor with any information and documentation that Lessor may reasonably require in the verification process, including copies of purchase orders, invoices, bills, and any other documentation that evidence the items and costs described in the Request for Advance.

(d) Lessor shall approve the Request for Advance and provide the Advance unless (i) the Request for Advance does not comply with the requirements under this Agreement, or (ii) the costs identified in the Request for Advance do not qualify as an Approved Equipment Cost. Unless otherwise agreed upon by the parties, upon approval of a Request for Advance, the Lessor shall issue a check in the amount of the Advance to the vendor of the Approved Equipment Costs identified in the Request for Advance. Lessee shall provide to Lessor written evidence of delivery of the approved equipment to the Premises within ten (10) days of delivery. **Notwithstanding the foregoing, Lessee acknowledges and agrees that no Advance shall be made in connection with Lessee’s proposed purchase of an extruder and related equipment manufactured by battenfeld-cincinnati USA or other manufacturer until such equipment is delivered to the Project Site.**

(e) In the event Lessor rejects a Request for Advance (or any part thereof), Lessor shall inform Lessee of the grounds for Lessor’s rejection, and accord Lessee an opportunity to resubmit the Request for Advance.

(f) Notwithstanding anything to the contrary contained herein, if at any time after receiving an Advance, Lessee’s total FTEs fall below eighteen (18) for thirty (30) consecutive days (allowing a cure period for rehiring), Lessor may, in its sole discretion, refuse to make any further Advances under this Loan Agreement.

2.2 Promissory Notes. Each advance with respect to the Loan shall be evidenced by a separate promissory note of the Lessor (each a “Note”), in form substantially the same as the copy of the Note attached hereto as **Exhibit “B”**.

2.3 Interest. The Loan shall bear interest at the rate of four and one half percent (4.5%) per annum.

2.4 Repayment.

(a) Each Advance shall be repaid in equal monthly installments of principal and interest, amortized over a period beginning on the date of the Advance through June 30, 2024 (the “Maturity Date”), commencing on the first (1st) day of the first month following the date of such Advance, and on the first day of each month thereafter through the

Maturity Date. The first twelve (12) monthly installment payments due under this Agreement commencing on the first day of the first month following the first Advance under this Agreement shall be collected from and paid by the Paducah Economic Development Foundation, Inc., (the "PED"); provided, however, PED's obligation to make the aforesaid monthly installment payments on behalf of Lessee shall cease and Lessee shall be fully responsible for all subsequent monthly installment payments upon the first occurrence of Lessee's total FTEs falling below eighteen (18) for thirty (30) consecutive days (allowing a cure period for rehiring) and thereafter upon the occurrence of Lessee's total FTEs falling below eighteen (18)(without a cure period). PED shall not be responsible for prepayments of any kind, voluntary, involuntary, in whole or in part, of the original principal amount of each Advance. Any failure by the PED to make such payments, except in the event Lessee's total FTEs falls below the minimum of eighteen (18), shall not constitute an Event of Default by Lessee under the Loan Documents, and all amounts shall be treated as paid for purposes of determining the future installment payment amounts.

(b) Unless otherwise provided herein, each Advance shall mature on June 30, 2024.

(c) Lessor shall direct Lessee in writing as to where payments shall be made. All payments made by Lessee shall be applied first to accrued interest, and then to the principal balance.

~~Unless otherwise directed by Lessor in writing, Each repayment described in paragraph 2.4(a) above, shall be made by separate payments by Lessee to the City of Paducah Finance Director and to the McCracken County Finance Director. The amounts payable to each entity shall be calculated by assigning to each entity a percentage of the repayment installment equal to the percentage of the Multiple Advance Draw Loan amount funded by each entity.~~

2.5 Termination by Lessor. Lessor shall have the right, at its sole discretion, to terminate Lessee's right to receive advances under this loan upon the occurrence of any Event of Default upon Lessor giving Lessee notice of such termination; provided, however, that the rights and remedies of Lessor with respect to the liabilities and obligations hereunder and under the Note(s) made prior to the termination will not be affected by the termination by Lessor. The provisions of this Loan Agreement and the security interest in the liens created to secure the Loan shall continue in full force and effect until all amounts owed by Lessee to Lessor shall have been paid in full.

2.6 Termination by Lessee. In the event Lessee no longer desires to receive advances under this Loan, then Lessee can terminate this Loan by providing Lessor written notice of termination which will be effective upon Lessor's receipt of the notification; provided, however, that the rights and remedies of Lessor with respect to the liabilities and obligations hereunder and under the Note(s) made prior to the termination will not be affected by the termination by Lessee. The provisions of this Loan Agreement and the security interest in the liens created to secure the Loan shall continue in full force and effect until all amounts owed by Lessee to Lessor shall have been paid in full.

2.7 Notation of Disbursements and Payments. Disbursement of payments of principal with respect to the Loan shall be evidenced by notations made upon the internal records of Lessor or its agents, which notations shall show the date and amount of each advance and/or each payment of principal. The principal amount outstanding under the Note(s), from time to time, shall also be recorded by Lessor on such records. Lessee agrees that the aggregate amount of all disbursements of the Loan made as shown on the records maintained by Lessor, less all of the payments of principal made by Lessee and recorded in such records, shall be sufficient to establish the outstanding principal balance due under the Note(s).

2.8 Security for Loan. The Loan and all obligations incident thereto or created as security therefor shall be secured by a continuing first priority security interest in Lessees' trade fixtures, equipment and fixtures (collectively, the "Collateral") pledged by Lessee to secure payment of the Multiple Advance Draw Loan, in substantially the form of the Security Agreement attached hereto as **Exhibit C**, including all attachments; accessions; accessories; tools; parts; supplies; increases and additions to and all replacements of substitutions for all of the foregoing; and to the extent not listed above as original collateral, proceeds and products of all the foregoing, wherever located, and now owned or hereafter acquired.

2.9 Acceleration of Maturity Date. If the Lease is terminated for any reason prior to the payment in full of the Multiple Advance Draw Loan, such termination shall accelerate the maturity date of all outstanding Notes under the Multiple Advance Draw Loan and the entire unpaid Obligations shall become immediately due and payable.

3. Conditions Precedent. The Obligations of the Lessor, as discussed in Section 2, are subject to the fulfillment, in a manner satisfactory to Lessor, in its sole discretion, of each of the following conditions precedent:

3.1 No Material Change in Condition. There shall have been no material adverse change in the condition, financial or otherwise, of the Lessee from that existing on the date of the Financial Statements of the Lessee previously provided to Lessor.

3.2 Legality. The making of the Loan shall not contravene, violate or otherwise be restricted by any law, rule or regulation applicable to Lessor.

3.3 Delivery of Loan Documents and Other Instruments. The Lessor shall have received, on or before the funding of the Loan, the following documents, which shall each be in the form and substance satisfactory to Lessor and its counsel, which documents include the following:

(a) **Note** in the amount of the advance executed and delivered by Lessee to Lessor.

(b) **Security Documents** executed and delivered by Lessee to Lessor.

(c) **Subordination Agreement(s)** executed and delivered to Lessor by each of Lessee's Lenders or other creditors having or claiming to have a security interest in Lessee's trade fixtures, equipment and fixtures to be purchased with proceeds of the Loan.

(d) **Certificate of Existence** for Lessee issued by the Secretary of the Lessee's state of incorporation, or such other proof as is acceptable to Lessor in its sole discretion.

(e) A **Corporate Resolution for Borrowing** certified by the Secretary or an Assistant Secretary of Lessee certifying (i) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of Lessee, authorizing the execution, delivery and performance of this Agreement, the Note(s) and the other Loan Documents, and (ii) as to the incumbency and genuineness of the signature of each officer of Lessee executing this Agreement, the Notes and the other Loan Documents on behalf of Lessee.

(f) **Insurance.** Lessee shall provide Lessor with evidence of insurance with a company acceptable to Lessor, insuring all equipment and other Collateral for an amount equal to or greater than the Loan amount, naming Lessor as an additional insured. Lessee shall comply with Lessor's insurance requirements as set forth in the Security Agreement. Lessor shall receive 30 days prior written notice of cancellation, non-renewal or amendment of such policy. Lessor shall also be provided with evidence that premiums for such insurance have been paid for the one-year period commencing upon the date of closing.

(g) **Organizational Documents.** Lessor shall be provided with certified copies of all organizational documents of Lessee. Such documents shall include, without limitation, articles of incorporation, code of regulations and certificate of good standing (with respect to corporations) and partnership agreements, partnership certificates and fictitious name certificates (with respect to partnerships). Lessor shall be provided with satisfactory evidence of qualification to do business in each state where Lessee does business.

(h) Such other agreements, instruments, approvals, opinions, certificates or documents as described in Section 2.1 herein and as Lessor may reasonably request in conjunction with the making of the Loan.

The obligations of Lessee to provide the items listed above in this Section 3.3 shall survive the closing of the Loan and any failure by Lessor to require compliance with the above Loan closing requirements with respect to any one Advance shall not constitute a waiver by Lessor of its right to require that such be provided by Lessee with respect to any later Advance.

4. Representations, Warranties, Affirmative and Negative Covenants by Lessee.

4.1 Inducing Representations. In order to induce Lessor to enter into this Agreement and to make the loans and advances herein provided for, Lessee represents and warrants to Lessor that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Michigan and is qualified to do business and is in good standing in the Commonwealth of Kentucky and every jurisdiction where the nature of its business, and the ownership of its properties requires it to be so qualified and where failure so to qualify might materially affect its business or property, and has all requisite power and authority, corporate and

otherwise, to conduct its business, to own its properties, and to execute, deliver and perform all of its obligations under this Agreement, the Notes, and each of the other loan documents.

(b) Lessee's chief executive office and principal place of business, and the place where Lessee maintains all records relating to receivables, is at the address set forth in Section 8.7 herein.

(c) The execution, delivery and performance of this Agreement, the Notes and each of the other Loan Documents and the creation of the security interests provided for under this Agreement and each of the other Loan Documents are within Lessee's corporate power, has been duly authorized by all necessary or proper corporation action, including the consent of its shareholders where required, are not in contravention of any provision of law or of any agreement or indenture by which Lessee is bound or of the Articles of Incorporation or Bylaws of Lessee, and do not require the consent or approval of any governmental body, agency, authority or other person which has not been obtained and a copy thereof furnished to Lessor.

(d) This Agreement, the Notes and each of the other Loan Documents are the legal, valid and binding obligations of Lessee, enforceable against Lessee, in accordance with their respective terms.

(e) Lessee is solvent.

(f) Lessee has filed all United States tax returns and all state, local and foreign tax returns which are required to be filed, and have paid, or made provision for the payment of, all taxes which have become due pursuant to said returns or pursuant to any statement received by Lessee, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. Such tax returns properly reflect Lessee's income and taxes for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service upon audit, and having no material adverse effect on Lessee's financial condition, business or results of operations.

(g) Lessee's financial statements which have been delivered by Lessee to Lessor, are true and correct in all material respects and contain no material misstatement or omission, and fairly presents the financial position of Lessee as of the date thereof. Since the date of the financial statements referred to in this subsection, except as otherwise disclosed therein, Lessee has not incurred any obligation or liability which would materially and adversely affect any of its business operations or the Collateral.

(h) Lessee's uses of the proceeds of any loans and advances made by Lessor to Lessee pursuant to this Agreement are, and will continue to be, legal and proper uses, and such uses are and will be consistent with all applicable laws and statutes.

(i) Lessee has good, indefeasible and merchantable title to and ownership of the Collateral pledged to Lessor, free and clear of all liens, claims, security interests and encumbrances except as disclosed to Lessor in writing.

(j) To the best of Lessee's knowledge following diligent inquiry, Lessee is not in violation of any applicable environmental or other statute, law, rule, regulation or ordinance of any governmental entity, or of any agency thereof, in any respect materially and adversely affecting the Collateral or Lessee's business, property, assets, operations or condition, financial or otherwise.

(k) Lessee is not in default with respect to any note, indenture, loan agreement, mortgage, lease, deed or other similar agreement relating to indebtedness to which Lessee is a party or by which Lessee is bound except as disclosed to Lessor in writing.

(l) Lessee does not have any Subsidiaries.

4.2 Examination of Records; Collateral Reporting. Lessor may at all times during business hours and at all other times after reasonable prior written notice have access to, examine and inspect the Collateral and have access to, inspect, audit and make extracts from all of Lessee's records, files and books of account and Lessee will deliver to Lessor any instrument necessary for Lessor to obtain records from any service bureau maintaining records for Lessee.

4.3. Financial Information. During the initial term and any renewal term of this Agreement, and thereafter for so long as Lessee shall have any obligations to Lessor under this Agreement, unless otherwise waived by Lessor in writing, the Lessee shall deliver to Lessor such information as Lessor may reasonably request, specifically including, but not limited to:

(a) CPA Annual Audit. Lessee will (i) maintain accounting records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; (ii) provide Lessor with such information concerning its business affairs and financial conditions (including insurance coverage) as Lessor may reasonably request; and (iii) without request, provide Lessor with an annual CPA Audit for Lessee on or before April 30th of each year.

(b) Quarterly Management-Prepared Financial Statements. Lessee shall provide Lessor with management-prepared financial statements quarterly within 45 days of quarters-end.

(c) Monthly FTEs Report. Not later than 10 days following the end of each month, a written report in form and content acceptable to Lessor, executed by ~~Borrower's~~ Lessee's chief financial officer or other officer or person acceptable to ~~Bank~~Lessor, certifying the number of FTEs employed by ~~Borrower~~Lessee at the Project as of the end of the preceding month.

(d) Promptly upon receipt thereof, copies of all written financial reports, if any, submitted to Lessee, by certified public accountants in connection with any annual, special or interim audit, compilation or review of the books of the Lessee made by such accountants, and a copy of any and all written documentation relating to the resignation of any such certified public accountants.

(e) With reasonable promptness, such other financial data and information with respect to the Lessee as from time to time may reasonably be requested, including without limitation, any such data or information which may be requested by any governmental or public body or agency having jurisdiction over Lessor.

4.4. Affirmative Covenants. During the initial term and any renewal term of this Agreement, and thereafter for so long as Lessee shall have any obligations to Lessor under this Agreement, Lessee covenants that it shall comply with the following affirmative covenants, unless otherwise consented to by Lessor in writing.

(a) Preserve and maintain its separate existence and all rights, privileges and franchises in connection therewith, and maintain its qualification and good standing in all states required by applicable law to be qualified.

(b) File all federal, state and local tax returns and other reports which it is required by law to file, maintain adequate reserves for the payment of all taxes, assessments, governmental charges, and levies imposed upon it, its income, or its profits, or taxes, assessments, governmental charges and levies prior to the date on which penalties attached thereto, except where the same may be contested in good faith by appropriate proceedings;

(c) Comply in all material respects with all laws, statutes, rules, regulations and ordinances of any governmental entity, or any agency thereof, applicable to it, a violation of which, in any respect, may materially and adversely affect the Collateral or Lessee's business, property, assets, operations or condition, financial or otherwise, including, without limitation, any such laws, statutes, rules, regulations or ordinances regarding the collection, payment, and deposit of employees' income, unemployment, and Social Security taxes and with respect to pension liabilities;

(d) Maintain adequate records and books of account with respect to its business activities in which proper entries are made in accordance with Generally Accepted Accounting Principles reflecting all of its financial transactions;

(e) Notify Lessor in writing:

(i) promptly upon, but in no event later than three (3) business days after, Lessee's learning thereof, of any uninsured or partially uninsured loss through fire, theft, liability or property damage in excess of an aggregate of One Hundred Thousand Dollars (\$100,000).

(ii) promptly upon Lessee's learning thereof, of any material litigation affecting Lessee, whether or not the claim is considered by Lessee to be covered by insurance, and of the institution of any suit or administrative proceeding which may materially and adversely affect Lessee's operations, financial condition, business or Lessor's security interest in the Collateral;

(iii) promptly upon Lessee's learning thereof, of any material labor dispute to which Lessee may become a party, any strikes or walkouts relating to any of its facilities, and the expiration of any labor contract to which Lessee is a party or by which Lessee is bound;

(iv) within three (3) business day after the occurrence thereof, of Lessee's default under any note, indenture, loan agreement, mortgage, lease, deed or other similar agreement to which Lessee is a party or by which Lessee is bound; and

(v) any change in name, identity or corporate structure of Lessee.

(f) Execute and deliver such further and other documents, instruments, certificates, assignments, statements or agreements as may be required to carry out the purposes and intent of this Agreement.

(g) Keep all Lessee's properties, real and personal, useful or necessary to Lessee's business, in good repair and condition, free from waste or destruction, and from time to time make necessary repairs, renewals and replacements thereto so that Lessee's property shall be fully and efficiently preserved and maintained; and this covenant shall continue in full force and effect with respect to any property in Lessee's possession or under Lessee's control, notwithstanding any foreclosure or similar action regarding title or possession of any of Lessee's property, until such time as Lessee's indebtedness to Lessor is paid in full or Lessor acquires possession or custody and control over the property.

(h) Pay all debts and obligations when due (after expiration of any applicable notice and/or cure periods provided with respect to such debts and obligations), including all leasehold interests of Lessee.

4.5 Negative Covenants. During the initial term and any renewal term of this Agreement, and thereafter for so long as Lessee shall have any obligations to Lessor under this Agreement, Lessee covenants that it will not, without the prior written consent, which consent will not be unreasonably withheld, of Lessor:

(a) Other than in order to consummate an acquisition, merge into or consolidate with any other Person;

(b) Enter into any new business or make any material change in management personnel of Lessee's business that would result in a Change of Control or in any of Lessee's business objectives, purposes and operations which might in any way adversely affect the repayment of the Obligations; provided, however, that the foregoing shall not prevent Lessee from engaging in any business that is reasonably related or ancillary to its business;

(c) Cancel any claim or debt, except for consideration and in the ordinary course of its business;

(d) Create any direct or indirect subsidiary or divest itself of any material assets by transferring them to any subsidiary or enter into any partnership, joint venture, or similar arrangement, or make any material change in its capital structure; which might in any way adversely affect the repayment of the Obligations

(e) Transfer its registered office, executives offices, or maintain inventory or records with respect to receivables or inventory, at any other locations than those at which the same are presently kept or maintained, except with Lessor's prior written notice and after the delivery to Lessor of financing statements, if required by Lessor, in form satisfactory to Lessor;

(f) Enter into any contract or agreement which would materially and adversely affect its business, property, assets, operations, condition (financial or otherwise), ability to perform its obligations under this Agreement, or the Collateral;

(g) Enter into or be a party to any transaction with any of Lessee's affiliates, except in the ordinary course of business and pursuant to the reasonable requirements of Lessee's business and upon fair and reasonable terms which are fully disclosed to Lessor.

(h) Enter into any transaction which materially and adversely affects the Collateral or Lessee's ability to repay all obligations;

(i) Effect any change in its capital structure that would result in a Change of Control, or amend its Articles of Incorporation or Bylaws that would reasonably be expected to be materially adverse to the interests of Lessor as a secured creditor of Lessee;

(j) Allow its trade payables, accounts payable or taxes of any kind to fall materially in arrears.

5. Environmental conditions and Covenants Concerning Hazardous Substances.

5.1. Additional Environmental Conditions. Except as heretofore disclosed in writing by Lessee or its agent to Lessor: (1) no hazardous or toxic substance or material or other waste (referred to hereinafter as a "Hazardous Substance") as defined in or regulated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as Amended (42 U.S.C. 9601 et. seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et. seq.), or any other federal, state or local law, order or regulation pertaining to health, safety or the environment (referred to hereinafter as "Environmental Laws") has ever been disposed, released, discharged or spilled on or under all or any part of any property heretofore or now owned, leased, operated or controlled by Lessee or any past or present subsidiary or affiliate of Lessee, or any property by whomsoever owned which is to be granted as security for any of the loans or credits from Lessor to Lessee which now or hereafter are established or covered by, in whole or in part, this Agreement (each a "Loan" and collectively the "Loans"); (2) no property heretofore or now owned, leased, operated or controlled by Lessee or any subsidiary or affiliate of Lessee, or other property by whomsoever owned to be mortgaged or otherwise granted as security for any of the Loans, has been used as a dump or landfill; (3) no underground storage tank, equipment containing polychlorinated biphenyls; asbestos, or urea formaldehyde is located on, in or under any property or

building or improvement owned by Lessee or any subsidiary or affiliate of Lessee, or other property by whomsoever owned which is to be mortgaged or granted as security for any of the Loans;

(4) Lessee and each past and present subsidiary and affiliate of Lessee have complied in all respects with and are currently in compliance in all respects with all Environmental Laws; (5) no Hazardous Substance is located or stored upon any property owned, leased, operated or controlled by Lessee or any subsidiary or affiliate of Lessee, or any other property by whomsoever owned which is to be mortgaged or otherwise granted as security for any of the Loans (except de minimis quantities if and, in such event, as incident to the customary operations of Lessee or applicable subsidiary or affiliate of Lessee, and then only in compliance with all Environmental Laws); and (6) no litigation or administrative actions or proceeding has been commenced or, to the knowledge of Lessee, threatened against Lessee or any past or present subsidiary or affiliate of Lessee alleging a violation of any Environmental Law.

5.2 Covenants Concerning Hazardous Substance and Environmental Compliance. Lessee will not permit any Hazardous Substance to be placed or stored upon any property owned, leased, operated or controlled by Lessee or any subsidiary or affiliate or Lessee except for de minimis quantities if and, in such event, as incident to the customary operations of Lessee or such subsidiary or affiliate on such property, and then only in compliance with all Environmental Laws. Without limitation of the preceding sentence, Lessee warrants and covenants that all property owned, leased, operated or controlled by Lessee or any subsidiary or affiliate of Lessee at all times hereafter shall remain free from any contamination by any Hazardous Substance and that Lessee and each subsidiary and affiliate of Lessee will comply with all Environmental Laws affecting each of them, respectively, or any property owned, leased, operated or controlled by any of them, respectively. Lessee shall notify Lessor promptly upon becoming aware of any contamination of any property owned, leased, operated or controlled by Lessee or any subsidiary or affiliate of Lessee by any Hazardous Substance, or upon Lessee or any subsidiary or affiliate of Lessee, being threatened with receipt of or receiving any notice, citation, summons, complaint or other communication alleging violation by Lessee or any subsidiary or affiliate of Lessee of any Environmental Law or that Lessee or any subsidiary or affiliate of Lessee is or may be liable in connection with any Hazardous Substance. Lessor shall have the right, but not the obligation, to enter upon any property of Lessee to take such action as Lessor deems necessary or appropriate with respect to any actual or threatened contamination of the property of Lessee by a Hazardous Substance or any other circumstance relating to a Hazardous Substance or any Environmental Law which, in the sole opinion of Lessor, could impair the value of any of such property pledged or granted as security for any of the Loans or result in a claim against or liability of Lessor, and all cost and expenses, including reasonable attorneys' fees, incurred by Lessor in doing so, shall be paid by Lessee to Lessor upon demand and bear interest from the date of such demand at the rate then and thereafter applicable under the Loan which bears interest at the highest rate as of the date of such demand. Lessee hereby agrees to indemnify Lessor and hold Lessor harmless from and against any and all loss, cost, expense (including but not limited to reasonable attorneys' fees), injury damage, liability and claim of any kind whatsoever paid, incurred or suffered by or asserted against Lessor by any person or entity, including but not limited to any governmental entity, whatsoever with respect to or as a direct or indirect result of the presence of any Hazardous Substance on or under any property heretofore, now or hereafter owned by Lessee or any subsidiary or affiliate of Lessee, or the violation or alleged violation by Lessee or any subsidiary or affiliate of Lessee of any Environmental Law or, without limitation of the foregoing, any inaccuracy of any representation or

warranty by Lessee contained in this Agreement applicable to Hazardous Substances or Environmental Laws or any breach of the covenants contained in this Agreement.

6. **Default.** Notwithstanding any cure periods described below, Lessee will immediately notify Lessor in writing when Lessee obtains knowledge of the occurrence of any default specified below. Regardless of whether Lessee has given the required notice, the occurrence of one or more of the following will constitute a default:

(a) **Nonpayment.** Lessee shall fail to pay (i) any interest and principal due on the Note or any fees, charges, costs or expenses under the Loan Documents by ten (10) days after the same becomes due; or (ii) Lessee shall fail to pay any monthly payment under the Lease by ten (10) days after the same becomes due.

(b) **Nonperformance.** Lessee or any guarantor of Lessee's obligations to Lessor shall fail to perform or observe any agreement, term, provision, condition or covenant (other than a default occurring under (a), (c), (d), (e), (f) or (g) of this Section 6) required to be performed or observed by Lessee hereunder or under any other Loan Document, Lease or other agreement with or in favor of Lessor and such failure shall continue for thirty (30) days after written notice thereof from Lessor to Lessee.

(c) **Misrepresentation.** Any financial information, statement, certificate, representation or warranty given to Lessor by Lessee or any Guarantor (or any of their representatives) in connection with entering into this Agreement or the other Loan Documents and/or any borrowing thereunder, or required to be furnished under the terms thereof, shall prove untrue or misleading in any material respect (as determined by Lessor in the exercise of its judgment) as of the time when given.

(d) **Default on Other Obligations.** Lessee shall be in default under the terms of any loan agreement, promissory note, lease, conditional sale contract or other agreement, document or instrument evidencing, governing or securing any indebtedness owing by Lessee to Lessor or any indebtedness in excess of Fifty Thousand Dollars (\$50,000) owing by Lessee to any third party, and the period of grace, if any, to cure said default shall have passed.

(e) **Judgments.** Any judgment shall be obtained against Lessee which, together with all other outstanding unsatisfied judgments against Lessee (or such Guarantor), shall exceed the sum of Ten Thousand Dollars (\$10,000) and shall remain unvacated, unbonded or unstayed for a period of thirty (30) days following the date of entry thereof.

(f) **Inability to Perform: Bankruptcy/Insolvency.** (i) Lessee cease to exist; or (ii) any bankruptcy, insolvency or receivership proceedings, or an assignment for the benefit of creditors, shall be commenced under any federal or state law by or against Lessee or any Guarantor and such proceeding or assignment is not dismissed within a period of sixty (60) days after the filing thereof; or (iii) Lessee shall become the subject of any out-of-court settlement with its creditors; or (iv) Lessee is unable or admits in writing its inability to pay its debts as they mature.

(g) Assignment or attempted assignment by Lessee of the Lease, this Agreement, any rights hereunder, or any Advance to be made hereunder, or the conveyance, lease, mortgage, or any other alienation or encumbrance of the Collateral or any interest therein without the prior written consent of Lessor.

(h) Adverse Change: Insecurity. (i) There is a material adverse change in the business, properties, financial condition or affairs of Lessee or any Guarantor; or in any collateral securing the Obligations; or (ii) Lessor in good faith deems itself insecure.

Notwithstanding anything to the contrary contained herein, Lessee shall have thirty (30) days after the giving of written notice by Lessor to Lessee of an event of default (except for a default occurring under (a) of this Section 6) to cure such default.

7. Lessor's Rights on Default.

7.1. Lessee agrees that upon the occurrence of any Event of Default that has not been cured as provided in Section 6, the full amount remaining unpaid under the Note shall automatically accelerate and, at the sole discretion and option of the Lessor, become immediately due and payable, in full to Lessee, and Lessor shall then have the rights, options, duties and remedies guaranteed hereunder and in the Security Agreement and as a secured party under the Uniform Commercial Code ("Code"), and/or the rights to exercise the Lessor's remedies under the assignments securing the Loan, including without limitation, the right to take possession of the Collateral and the right to enter any premises without legal process where the Collateral may be found, to take possession or establish safekeeping procedures therefor. Lessee further agrees in any such case, and if requested in writing by the Lessor, to deliver the Collateral to the Lessor or at a place to be designated in writing by the Lessor. Any requirements of the Code of reasonable notification of time, place of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be met by giving Lessee at the address shown herein at least ten (10) days prior written notice, which time Lessee hereby agrees is reasonable notification of the time and place of any public sale or the time after which any private sale or any other intended disposition is to be made, but notice given in any other reasonable manner or at any other time shall be sufficient. Without precluding any other methods of sale, the sale of Collateral shall have been made in a commercially reasonable manner if conducted with conformity with reasonable commercial practices of lenders disposing of similar property, but in any event, Lessor may sell on such terms as Lessor may choose without assuming any credit risk and without any obligation to advertise or, except as provided above, give notice of any kind. Lessee shall be and remain liable for any deficiency remaining after applying the proceeds from the disposition of the Collateral first to the reasonable expenses, including costs and attorney's fees, of exercising all of Lessor's rights under this Agreement and then to the reduction of the Loans secured hereunder.

7.2. In addition to the foregoing, upon the occurrence of any Event of Default and at any time thereafter, Lessor may, at its option, but without any obligation to do so, in addition to any other right Lessor may have, do any one or more of the following without notice to Lessee: (a) cancel this Agreement; (b) institute appropriate proceedings to enforce the performance of this Agreement; (c) withhold further disbursement of loan funds; (d) expend funds necessary to remedy the default; (e) take possession of the Property and continue construction of the Project;

(f) accelerate maturity of the Note and/or indebtedness and demand payment of all sums due under the Note and/or indebtedness; (g) bring an action on the Note and/or indebtedness; and (h) exercise any other right or remedy which it has under the Note(s) or related Loan Documents, or which is otherwise available at law or in equity or by statute.

7.3 Cumulative Remedies. All of the rights and remedies of the Lessor upon the occurrence of an Event of Default shall be cumulative to the greatest extent permitted by law, may be exercised successively or concurrently, from time to time, and shall be in addition to all of those rights and remedies afforded the Lessor at law, or in equity, or in bankruptcy.

8. Miscellaneous.

8.1. Sole Benefit of Lessor. All conditions to the obligations of Lessor to make advances hereunder, and the covenants and warranties of Lessee, are included herein solely and exclusively for the benefit of Lessor and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions, covenants or warranties in accordance with their terms or be entitled to assume that Lessor will refuse to make advances in the absence of strict compliance with any or all thereof, and compliance with any or all of such conditions and covenants may be freely waived, in whole or in part, by Lessor at any time it, in its sole discretion, deems it advisable to do so.

8.2. Cross-Collateralization. It is the intent of the parties hereto that the security interests in the collateral given by Lessee to Lessor secures all sums of money which Lessor heretofore has advanced or hereafter advances or lends to Lessee or for which Lessee is obligated to pay, including but not limited to all loans described herein. Satisfaction of any one loan or loan advance will not cause a release of any part of the collateral or real property, but rather, the collateral will be released only upon payment in full to Lessor of all of Lessee's obligations.

8.3. Construction. Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same.

8.4. Waiver.

(a) Failure by Lessor to exercise any right, remedy or option under this Agreement or in any other agreement between the parties hereto, or delay by Lessor in exercising the same will not operate as a waiver;

(b) No waiver by Lessor will be effective unless it is in writing, and then only to the extent specifically stated, and no waiver by Lessor on any occasion shall affect or diminish Lessor's right thereafter to require strict performance by Lessee of any provision of this Agreement.

8.5. Captions. The captions used in this Agreement are for convenience only and shall not be used in construction or interpretation of or to limit the terms of the provisions hereof.

8.6. Severability Clause. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8.7. Notice. All notices, requests and communications shall be in writing and the sending or giving of such notices, requests or communications shall be sufficient in all respects if sent by overnight courier, certified mail (postage fully prepaid, with return receipt requested), or personally delivered to the other party. Unless otherwise provided to the contrary, all notices shall be effective when sent to the following addresses:

IF TO THE LESSOR:

McCracken County, Kentucky
300 South 7th Street
Paducah, KY 42003
Attn: _____

City of Paducah, Kentucky
P. O. Box 2267
Paducah, KY 42002-2267
Attn: City Manager

With a copy to:
Denton Law Firm, PLLC
555 Jefferson Street, Suite 301
Post Office Box 969
Paducah, Kentucky, 42002-0969
Attention: W. David Denton

IF TO LESSEE:

Genova Products, Inc.
P. O. Box 309
Davison, MI 48423
Attn: _____

Any party hereto may change their address or addresses for the purpose of notice hereunder by giving notice pursuant to the provisions of this section.

8.8. Waiver by Lessee. Lessee hereby waives, to the extent permitted by applicable law, (a) all presentments, demands for performances, notices of nonperformance,

protests, notices of protest and notices of dishonor in connection with the Note, (b) any requirement of diligence or promptness on the part of the Lessor in enforcement of its rights under the provisions of this Agreement or any of the other Loan Documents, (c) any requirement of marshaling assets or proceeding against Persons or assets in any particular order, and (d) any and all notice of every kind and description which may be required to be given by any statute or rule of law and any defense of any kind which Lessee may now or hereafter have with respect to its liabilities under this Agreement or under the other Loan Documents.

8.9. Further Assurances. Lessee shall sign such financing statements or other documents or instruments as the Lessor may reasonably request from time to time to more fully create, perfect, continue, maintain or terminate the rights and security interests intended to be granted or created pursuant to this Agreement or the other Loan Documents.

8.10. Assignments. Lessee may not assign its rights under this Agreement or the Loan Documents to any other party. Any attempted assignment shall be a default under this Agreement and shall be null and void.

8.11. Incorporation of Terms. Each and every provision of the Loan Documents is incorporated herein as if fully set forth herein. Each and every provision of this Agreement is incorporated in the Loan Documents as if fully set forth therein.

8.12. Execution and Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.

8.13. Governing Law: Jurisdiction. This Agreement shall be governed by the internal laws of the Commonwealth of Kentucky (and not the law of conflicts), except to the extent superseded by federal law. LESSEE HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN McCRACKEN COUNTY, KENTUCKY AND WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE COLLATERAL, ANY RELATED DOCUMENT OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing herein shall affect the Lessor's right to serve process in any manner permitted by law, or limit the Lessor's right to bring proceedings against the Lessee in the competent courts of any jurisdiction or jurisdictions.

8.14. Cost. Expenses and Attorney Fees. Lessee agrees to pay on demand all costs and expenses in connection with filing, recording, and administration of any of the Loan Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of the attorneys for the Lessor, with respect to advising the Lessor as to its rights and responsibilities under any of the Loan Documents, and all costs and expenses, if any, in connection with the enforcement of any of the Loan Documents. Lessee shall also pay all costs associated with any lien search performed in connection with the Loan. Lessee also agrees to pay, and to save harmless Lessor from any delay in paying, any intangibles, documentary stamp and other taxes, if any, which may be payable in connection with the execution and delivery of this Agreement, the Note and any of the

other Loan Documents, or the recording of any thereof, or in any modification hereof or thereof. Additionally, Lessee shall pay to Lessor on demand, any and all fees, costs and expenses which Lessor pays to a Bank or other similar institution arising out of or in connection with the depositing for collection by Lessor of any check or item of payment received and/or delivered to Lessor on account of the obligations and reimburse Lessor, on demand, for any returned or uncollected checks received by such Lessor as proceeds of the Collateral.

8.15. Warranties and Representations Survive Termination. No termination or cancellation (regardless of cause or procedure) of this Agreement shall in any way affect or impair the powers, obligations, duties rights and liabilities of the parties hereto in any way with respect to (i) any transaction or event occurring prior to such termination or cancellation, (ii) the collateral and/or (iii) any of Lessee's undertakings, agreements, covenants, warranties and representations contained in this Agreement and all such undertakings, agreements, covenants, warranties and representations shall survive such termination or cancellation.

8.16. Lessor's Discretion to Release Security, etc. Lessor may, in its sole discretion, (i) exchange, enforce, waive or release any security or portion of the Collateral, (ii) apply such security or any proceeds of the Collateral and direct the order or manner of sale thereof as Lessor may, from time to time, determine, and (iii) settle, compromise, collect or otherwise liquidate any such security or Collateral for the Obligations in any manner following the occurrence of an Event of Default without affecting or impairing Lessor's right to take any other further action with respect to any security or Collateral for the Obligations or any part thereof.

8.17. Lessor's Right to Apply Payments. Lessor shall have the continuing and exclusive right to apply or reverse and reapply any and all payments to any portion of the Obligations. To the extent that Lessee makes a payment or payments to Lessor or Lessor receives any payment or proceeds of the Collateral for Lessee's benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lessor.

8.18. Disbursement of Proceeds. Lessee hereby authorizes and directs Lessor to disburse, for and on behalf of Lessee and for Lessee's account, the proceeds of loans made by Lessor to Lessee pursuant to this Agreement to such Person or Persons as Lessee shall direct, whether in writing or orally.

8.19. Injunctive Relief. Lessee recognizes that, in the event Lessee fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy of law may prove to be inadequate relief to Lessor; therefore, Lessee agrees that Lessor, if Lessor so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without the necessity of posting a bond.

8.20. Relation Parties. This Agreement represents the conditions under which Lessor will extend credit to Lessee. Nothing in this Agreement shall be construed to make Lessor and Lessee joint venturers or partners or in any way create in Lessor an equity interest in Lessee.

8.21. Relationship to Other Documents. The warranties, covenants and other obligations of Lessee (and the rights and remedies of Lessor) that are outlined in this Agreement and the other Loan Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Loan Documents, all terms will be cumulative so as to give Lessor the most favorable rights set forth in the conflicting documents.

8.22. Participations. Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, at its option, sell all or any interests in the Note and other Loan Documents to other financial institutions (the "Participant"), and in connection with such sales (and thereafter) disclose any financial information Lessor may have concerning Lessee to any such Participant or potential Participant.

8.23. Successors. The rights, options, powers and remedies granted in this Agreement and the other Loan Documents will extend to Lessor and to its successors and assigns, will be binding upon Lessee and its successors and assigns and will be applicable hereto and to all renewals and/or extensions hereof.

8.24. Indemnification. Except for harm arising from Lessor's willful misconduct, Lessee hereby indemnifies and agrees to defend and hold Lessor harmless from any and all losses, costs, damages, claims and expenses of any kind suffered by or asserted against Lessor relating to claims by third parties arising out of the financing provided under the Loan Documents or related to any collateral (including, without limitation, Lessee's failure to perform its Obligations relating to Environmental Matters described in Section 5.2 above). This indemnification and hold harmless provision will survive the termination of the Loan Documents and the satisfaction of the Obligations due Lessor.

8.25. Notice of Claims against Lessor: Limitation of Certain Damages. In order to allow Lessor to mitigate any damages to Lessee from Lessor's alleged breach of its duties under the Loan Documents or any other duty, if any, to Lessee, Lessee agrees to give Lessor immediate written notice of any claim or defense it has against Lessor, whether in tort or contract, relating to any action or inaction by Lessor under the Loan Documents, or the transactions related thereto, or of any defense to payment of the Obligations for any reason. The requirement of providing timely notice to Lessor represents the parties' agreed-to standard of performance regarding claims against Lessor. Notwithstanding any claim that Lessee may have against Lessor, and regardless of any notice Lessee may have given Lessor, **Lessor will not be liable to Lessee for consequential and/or special damages arising therefrom.**

8.26. Copies; Entire Agreement; Modification. Lessee hereby acknowledges the receipt of a copy of this Agreement and all other Loan Documents. This Agreement is a "transferable record" as defined in applicable law relating to electronic transactions. Therefore, the holder of this Agreement may, on behalf of Lessee, create a microfilm or optical disk or other electronic image of this Agreement that is an authoritative copy as defined in such law. The holder

of this Agreement may store the authoritative copy of such Agreement in its electronic form and then destroy the paper original as part of the holder's normal business practices. The holder, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

8.27. Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws.

(a) Definitions.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

“Sanctioned Country” means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

“Sanctioned Person” means, at any time, (a) any Person or group listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

(b) The Lessee, its Subsidiaries and their respective officers and employees and to the knowledge of the Lessee its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Lessee, any Subsidiary or to the knowledge of the Lessee or such Subsidiary any of their respective directors, officers or employees is a Sanctioned Person. No Loan, use of the proceeds of any Loan or other transactions contemplated hereby will violate Anti-Corruption Laws or applicable Sanctions.

(c) Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the PATRIOT Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The Lessee and its Subsidiaries are in compliance in all material respects with the PATRIOT Act.

(d) Use of Proceeds. Lessee will not request any Loan and Lessee shall not use, and the Lessee shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything

else of value, to any Person in violation of any Anti-Corruption Laws or (ii) in any manner that would result in the violation of any applicable Sanctions.

(e) Compliance with Laws. The Lessee will, and will cause each Subsidiary to, comply in all material respects with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, Anti-Corruption Laws and applicable Sanctions.

(f) Patriot Act Compliance. The Lessee shall, and shall cause each Subsidiary to, provide such information and take such actions as are reasonably requested by the Lessor in order to assist the Lessor in maintaining compliance with the PATRIOT Act.

8.28. Waiver of Jury Trial. LESSEE AND LESSOR HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. LESSEE AND LESSOR EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. THE TERMS OF THIS AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT. ORAL OR IMPLIED MODIFICATIONS TO SUCH CREDIT AGREEMENTS ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

IN WITNESS WHEREOF, the undersigned have executed this document on the date first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

LESSOR:

McCRACKEN COUNTY, KENTUCKY

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

: ss.

COUNTY OF McCRACKEN)

Subscribed, sworn to and acknowledged before me by **McCRACKEN COUNTY, KENTUCKY, by and through** _____, **its** _____, on this the _____ day of _____, 2015.

My commission expires: _____

Notary ID # _____

NOTARY PUBLIC

KENTUCKY STATE AT LARGE

CITY OF PADUCAH, KENTUCKY

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

: ss.

COUNTY OF McCracken)

Subscribed, sworn to and acknowledged before me by **CITY OF PADUCAH, KENTUCKY, by and through** _____, **its** _____, on this the _____ day of _____, 2015.

My commission expires: _____

Notary ID # _____

NOTARY PUBLIC

KENTUCKY STATE AT LARGE

LESSEE:

GENOVA PRODUCTS, INC.

By: _____

Title: _____

STATE OF MICHIGAN)

: ss.

COUNTY OF _____)

Subscribed, sworn to and acknowledged before me on _____, 2015,
by _____, the _____ of GENOVA
PRODUCTS, INC., a Michigan corporation, on behalf of said entity.

_____, Notary Public

_____, County, Michigan

Acting in _____ County, Michigan

My commission expires: _____

EXHIBIT A

**Project Site: 5400 Commerce Center
Paducah, Kentucky**

BEING TRACT "D," CONSISTING OF 12 ACRES, AND TRACT "E," CONSISTING OF 7.2207 ACRES, IN THE INDUSTRIAL PARK WEST AS SET FORTH ON THE WAIVER OF SUBDIVISION OF THE INDUSTRIAL PARK WEST TO CREATE NEW TRACT "D", AND TRACT "E" OF THE PADUCAH-MCCRACKEN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY PROPERTY OF RECORD IN PLAT SECTION "L," PAGE 1166, MCCRACKEN COUNTY COURT CLERK'S OFFICE.

EXHIBIT "B"

**NOTE
(For Multiple Advance Draw Loan Agreement)**

\$ _____

Date: _____

FOR VALUE RECEIVED, **GENOVA PRODUCTS, INC.**, a Michigan corporation, with a principal mailing address of Post Office Box 309, Davison, Michigan 48423 (the "**Borrower**"), promises to pay to the order of **MCCRACKEN COUNTY, KENTUCKY** ("County"), with a principal mailing address of 300 South 7th Street, Paducah, Kentucky 42003; and **CITY OF PADUCAH, KENTUCKY** ("City"), with a principal mailing address of Post Office Box 2267, Paducah, Kentucky 42002-2267 (herein referred to jointly as "**Lender**"), the principal sum of _____ **DOLLARS** (\$ _____).

Interest. Interest on the Term Loan shall accrue at a fixed interest rate of four and one half percent (**4.5%**) per annum.

Payment Schedule. Principal and interest are payable in installments of \$ _____ each, beginning _____, 20____, and on the same date of each consecutive month thereafter (except that if a given month does not have such a date, the last day of such month), plus a final payment equal to all unpaid principal and accrued interest on June 30, 2024, the maturity date.

Interest will be computed for the actual number of days principal is unpaid, using a daily factor obtained by dividing the stated interest rate by 360.

In no event will the interest rate hereunder exceed that permitted by applicable law. If any interest or other charge is finally determined by a court of competent jurisdiction to exceed the maximum amount permitted by law, the interest or charge shall be reduced to the maximum permitted by law, and the Lender may credit any excess amount previously collected against the balance due or refund the amount to the Borrower.

Subject to applicable law, if any payment is not made on or before its due date, the Lender may collect a delinquency charge of five percent (5%) of the unpaid amount. Collection of the late payment fee shall not be deemed to be a waiver of the Lender's right to declare a default hereunder.

Without affecting the liability of any Borrower, endorser, surety or guarantor, the Lender may, without notice, renew or extend the time for payment, accept partial payments, release or impair any collateral security for the payment of this Note, or agree not to sue any party liable on it.

This Note constitutes a note issued under a Multiple Advance Draw Loan Agreement dated the ____ day of _____, 2015 between the Borrower and the Lender, to which Agreement reference is hereby made for a statement of the terms under which the loan evidenced hereby was made and a description of the terms and conditions upon which the maturity of this Note may be accelerated, and for a description of the collateral securing this Note.

This Note is a “transferable record” as defined in applicable law relating to electronic transactions. Therefore, the holder of this Note may, on behalf of Borrower, create a microfilm or optical disk or other electronic image of this Note that is an authoritative copy as defined in such law. The holder of this Note may store the authoritative copy of such Note in its electronic form and then destroy the paper original as part of the holder’s normal business practices. The holder, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

All documents referred to herein or attached hereto, including any appendices, schedules, riders, and exhibits to this Note, are hereby expressly incorporated by reference.

The Borrower hereby acknowledges the receipt of a copy of this Note.

BORROWER:

GENOVA PRODUCTS, INC.

By: _____

Title: _____

EXHIBIT B TO THE ORDINANCE

SECURITY AGREEMENT

See attachment

EXHIBIT C

SECURITY AGREEMENT

THIS SECURITY AGREEMENT made and executed on this _____ day of _____, 2015, by and among **GENOVA PRODUCTS, INC.**, a Michigan corporation, with a mailing address of Post Office Box 309, Davison, Michigan 48423, hereinafter referred to as "Grantor," and **MCCRACKEN COUNTY, KENTUCKY**, with a principal mailing address of 300 South 7th Street, Paducah, Kentucky 42003, and **CITY OF PADUCAH, KENTUCKY**, with a principal mailing address of Post Office Box 2267, Paducah, Kentucky 42002-2267, hereinafter collectively referred to as "Secured Party." Terms not otherwise defined herein shall have the same meaning as defined in the Credit Agreement (defined below).

WITNESSETH:

WHEREAS, Grantor and Secured Party entered into a Multiple Advance Draw Loan Agreement of even date herewith (the "Credit Agreement") wherein Secured Party agreed to extend certain credit to Grantor for the sole purpose of purchasing trade fixtures, equipment, and fixtures for Grantor's manufacturing and distribution facility of vinyl building products (the "Project") upon certain a certain tract of real property located at 5400 Commerce Drive in Paducah, McCracken County, Kentucky (the "Property"); and

WHEREAS, the Project would have a positive impact on the entire community by stimulating the local economy, expanding the tax base, and reducing unemployment within the boundaries of Paducah, McCracken County, Kentucky; and

WHEREAS, as a condition to consummating the Loan, Secured Party has requested that Grantor grant and assign unto Secured Party a security interest in the Collateral hereinafter described in accordance with the terms and provisions herein contained, to which Grantor is agreeable; and

WHEREAS, Grantor does hereby expressly acknowledge and agree that Grantor executes this Security Agreement as inducement to Secured Party in consummating the Loan, without which execution the Loan would not have been consummated.

NOW, THEREFORE, in consideration of the foregoing premises, and for valuable consideration, the legal adequacy and sufficiency of which is hereby acknowledged by all parties hereto, the parties do covenant and agree as follows:

1) **Assignment of Security Interest.** Grantor does hereby grant, transfer, and assign unto Secured Party a first priority security interest in the Collateral to secure the payment of the Multiple Advance Draw Loan under the Credit Agreement and all other Obligations (as defined in the Credit Agreement) and duties of Grantor under the Credit Agreement, and all interest accruing thereon, and any renewals and extensions thereof. The Collateral shall also secure any and all other obligations and liabilities of Grantor to Secured Party under the Credit Agreement, now existing or hereafter arising, including but not limited to any and all late charges, collection costs

and expenses, including Secured Party's reasonable attorney's fees and legal expenses, any expenditures made by Secured Party hereunder, any future advances extended by Secured Party to Grantor.

2) **Collateral.** The Collateral covered by this Agreement includes all of the following-described property of Grantor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located (collectively, the "Collateral"): All trade fixtures, equipment, and fixtures (including but not limited to items referenced on Exhibit "A" attached hereto), purchased with Advances from the Credit Agreement and owned or to be owned by Grantor and located at the Property. The Collateral shall also include all attachments, accessions, accessories, tools, parts, supplies, increases and additions to and all replacements of and substitutions for, and proceeds (as defined in the Uniform Commercial Code) (including insurance proceeds) of, the Collateral.

3) **Warranty of Title.** Grantor represents and warrants to Secured Party that Grantor is the absolute owner of the legal and beneficial title to the Collateral and is in full possession thereof, and that, except for Permitted Liens (a) the Collateral is free and clear of all liens, encumbrances, and adverse claims whatsoever, and (b) the Collateral shall at all times remain free and clear of any liens, encumbrances, and adverse claims. As used in this Agreement, "Permitted Liens" shall mean, collectively:

(a) liens, mortgages, security interests and encumbrances to or in favor of Secured Party;

(b) liens for taxes, assessments or other governmental charges incurred in the ordinary course of business and for which no interest, late charge or penalty is attaching or which is being contested in good faith by appropriate proceedings diligently pursued;

(c) liens created by statute in connection with workers' compensation, unemployment insurance, social security, old age pensions (subject to the applicable provisions of this Agreement) and similar statutory obligations incurred in good faith in the ordinary course of business that are not yet due and payable; and

(d) liens in favor of mechanics, materialmen, carriers, warehousemen or other like statutory or common law liens securing obligations incurred in good faith in the ordinary course of business that are not yet due and payable.

4) **Perfection of Collateral.** Grantor shall take all other steps as reasonably required by Secured Party to perfect and to continue the perfection of the Secured Party's interest in the Collateral. Grantor does hereby appoint Secured Party as its attorney-in-fact, without requiring the Secured Party to act as such, to perform all acts that the Secured Party deems reasonably necessary to perfect and continue to perfect its security interest in, and to protect and preserve, the Collateral. In the event any item or items of Collateral may only be perfected by possession, Grantor agrees that Secured Party shall have the right to the possession of such item or items of Collateral until the above-described indebtedness is fully paid and satisfied. Any and all costs, taxes, and expenses of filing or recording any financing statement or continuation statement shall be at the sole cost and

expense of Grantor. Grantor shall pay and satisfy such costs, tax, and expense which may be incurred by Secured Party regarding same upon demand from Secured Party.

5) **Location of Collateral.** The Grantor shall keep the Collateral at the Property. Grantor shall not remove the Collateral from any approved location without the prior written consent of Secured Party, excepting, however, (a) any assets sold in the ordinary course of business, and (b) sales or dispositions of obsolete or worn Collateral.

6) **Identification of Collateral.** The Secured Party shall have the right, upon any Event of Default, without written waiver by Secured Party, to require Grantor to prepare a schedule or itemization of all items of Collateral, containing such descriptions, terms, and provisions as reasonably required by Secured Party, including, without limitation, the nature, extent, and location of each item of Collateral.

7) **Maintenance and Repair to Collateral.** Grantor shall at all times maintain all tangible items of Collateral in good condition and repair (ordinary wear and tear excepted). Secured Party, through its designated representatives, shall have the right at all reasonable times upon two (2) business days prior written notice, to examine, inspect, and audit the Collateral. Grantor shall immediately notify Secured Party of all loss or damage to Collateral, the aggregate book value of which, exceeds Fifty Thousand Dollars (\$50,000).

8) **Insurance.** The Grantor shall maintain, or cause to be maintained, public liability insurance and casualty, hazard, fire, earthquake, and extended coverage insurance for replacement value on all tangible items of Collateral, and replacements thereto, all in such form and amounts and with such insurers as acceptable to Secured Party (it being agreed that the amount of the insurance, the types of insurance coverage, the insurance companies, and the insurance policies, certificates and endorsements, maintained by Grantor as of the Closing Date are satisfactory to Secured Party). Secured Party shall be named on any insurance procured hereunder as a first and prior secured party loss payee with respect to the Collateral. Any policies provided hereunder shall contain a provision whereby they cannot be cancelled except after ten (10) days written notice to Secured Party. The Grantor shall furnish to Secured Party such evidence of insurance as the Secured Party may reasonably require. If no Event of Default has occurred and is continuing, proceeds payable under any casualty policy will, at Grantor's option, be payable to Grantor to replace the property subject to the claim, provided that any such replacement property shall be deemed Collateral in which Secured Party has been granted a first priority security interest. Upon any Event of Default, without written waiver by Secured Party, any insurance proceeds received by Secured Party, as a loss payee, shall, at the Secured Party's discretion, be applied either to the repair or replacement of any item of Collateral which is damaged or destroyed which resulted in the payment of the insurance proceeds, or in the alternative, be applied toward the satisfaction of the indebtedness as described above. Grantor does hereby appoint Secured Party as its attorney-in-fact for the purpose of processing and collecting upon any claim under any insurance policy provided hereunder.

9) **Taxes, Assessments, and Liens.** Grantor will pay before delinquent all taxes, assessments, and liens upon the Collateral, its use or operation, upon this Agreement, the Credit Agreement, or upon any promissory note or notes evidencing the Obligations. If the Collateral is

subject to a lien (other than Permitted Liens) which is not discharged within fifteen (15) days, Grantor shall deposit with Secured Party, cash or acceptable bond or surety, in an amount to adequately provide for the discharge of the lien, plus any interest, cost, reasonable attorney fees or other charges that could accrue as a result of foreclosure sale of the Collateral. In any contest, Grantor shall defend itself and Secured Party and shall satisfy all final adverse judgments before enforcement against the Collateral. Grantor shall name Secured Party as an additional obligee under any bond furnished in any contest proceeding.

10) **Collection on Collateral.** So long as no Event of Default exists, Grantor shall have the right to collect the Collateral. Upon any Event of Default, without written waiver by Secured Party, Grantor's right to collect upon and realize on the Collateral shall immediately terminate, and all sums payable thereunder shall be paid directly to Secured Party and applied to the Obligations. Grantor hereby appoints Secured Party as its attorney-in-fact for the purpose of notifying any debtor of Grantor with respect to any Collateral of the existence of the security interest herein created and of collecting upon any and all sums due under the Collateral, and does hereby authorize and empower Secured Party to take any act for and in its behalf to effectuate same.

11) **Conduct of Business.** Debtor shall not conduct business under any other name other than given above nor change or reorganize the type of business entity under which it does business nor change the office of its registered agent except upon thirty (30) days prior written notice to Secured Party. In the event of such change of name or business entity, Grantor guarantees that all documents, instruments, and agreements demanded by Secured Party shall be prepared and filed at Grantor's expense before such change of name or business entity occurs. Additionally, Grantor hereby covenants and agrees to Secured Party that it shall operate its business in a reasonable and prudent manner in conformance with all Obligations and liabilities of Grantor to Secured Party under the Loan Documents.

12) **Hazardous Use.** Grantor has not and shall not utilize any item of Collateral in noncompliance with any federal, state, or local environmental law or regulation. Grantor shall indemnify Secured Party and save it harmless from any claim, demand, or cause of action regarding Grantor's failure to comply with this covenant, except and to the extent caused by Secured Party's gross negligence or willful misconduct.

13) **Expenditures by Secured Party.** In the event Grantor fails to timely pay and satisfy all of its obligations hereunder, including but not limited to Grantor's obligations to pay and satisfy any costs of maintenance and repair of the Collateral, insurance premiums, taxes, liens, security interests, encumbrances, and other claims, the Secured Party shall have the right, but not the obligation, at its option, to pay such costs, and additionally have the right, but not the obligation, at its option, to pay any and all other costs and expenses for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Secured Party shall bear interest at the rate charged under the Credit Agreement from the date incurred. All such expenditures shall become part of the Obligations and, at Secured Party's option, shall be (a) payable upon demand, (b) be added to the balance on the Credit Agreement and be apportioned among and be payable with any installment payments to become due thereunder, or (c) be treated as a balloon payment which shall be due and payable at the Loan Maturity Date as defined in the Credit Agreement. This Agreement shall also secure payment of these amounts. Such rights of

Secured Party shall be in addition to all other rights and remedies to which Secured Party may be entitled upon the occurrence of an event of default.

14) **Events of Default.** The occurrence of an Event of Default (under and as defined in the Credit Agreement) shall constitute an “Event of Default” under this Agreement.

15) **Remedies of Secured Party Upon Default.** Upon any Event of Default, without written waiver by Secured Party, Secured Party shall have all of the following rights and remedies, and additionally, shall have all other rights and remedies provided by law, specifically including all rights and remedies as set forth in KRS 355.9-501 et seq. Specifically, Secured Party shall have the following rights and remedies:

a. Secured Party shall have the right to accelerate the unpaid principal and interest due under the Credit Agreement, and all other Obligations of Grantor to Secured Party, at which time all of the Obligations shall be immediately due and payable.

b. Upon request of Secured Party, Grantor shall assemble all Collateral at any place designated by Secured Party. Secured Party shall have the right to take possession of the Collateral and to enter the Premises for the taking of possession or of removing the Collateral. Grantor hereby grants to Secured Party the use of the Premises for the purpose of possession, removal, placing the Collateral in saleable form, sale, or other disposition of the Collateral. Secured Party shall have the right to sell Collateral at its discretion.

c. Secured Party shall have the right to appoint a receiver to take possession of, operate, control, and other sell and dispose of the Collateral. It is agreed by Grantor that the receiver may be an employee of Secured Party and may serve without bond. All fees incurred by virtue of the appointment of a receiver and his or her attorney shall become part of the Obligations secured by this Agreement and deemed an expenditure hereunder.

d. Any notices required under the Kentucky Revised Statutes shall be deemed reasonable if mailed by Secured Party to the persons entitled thereto at Grantor’s last known address at least ten (10) days prior to disposition of the Collateral and, in reference to a private sale, need state only that Secured Party intends to negotiate such a sale. Disposition of the Collateral shall be deemed commercially reasonable if made to a public offering advertised at least once in a newspaper of general circulation in the community where the Collateral is located or by a private sale for a sum equal to or in excess of the liquidating value of the Collateral as determined by Secured Party.

e. All of Secured Party’s rights and remedies, whether evidence by this Agreement or any other agreement executed by Grantor to Secured Party, shall be cumulative and may be exercised singularly or concurrently. Election by Secured Party to pursue any remedy shall not exclude pursuit of or other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Agreement, after Grantor’s failure to perform, shall not affect the Secured Party’s right to declare an Event of Default and to exercise its remedies.

f. All costs and expenses incurred by Secured Party upon any Event of Default, without written waiver by Secured Party, including its reasonable attorney's fees, shall become part of the Obligations secured by this Agreement and shall be deemed as an expenditure hereunder. Costs and expenses include Secured Party's reasonable attorney's fees and legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for protection and preservation of the Collateral, for bankruptcy proceedings, appeals, and any anticipated post judgment collection services. Grantor shall also pay all court costs and such additional fees as be directed by a court of competent jurisdiction.

16. **Miscellaneous Provisions.** This Agreement, together with the Loan Documents, constitute the entire understanding and agreement of the parties as to the matters as set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment. This Agreement shall be construed under the laws of the Commonwealth of Kentucky. Grantor does hereby submit itself to the jurisdiction of the courts of McCracken County, Commonwealth of Kentucky. Grantor does further waive its right to trial by jury. This Agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

WITNESS our signatures on the date first above written.

GRANTOR:

GENOVA PRODUCTS, INC.

By: _____

Title: _____

STATE OF MICHIGAN)
)
 : ss.
COUNTY OF _____)

Subscribed, sworn to and acknowledged before me on _____, 2015,
by _____, the _____ of GENOVA PRODUCTS, INC., a
Michigan corporation, on behalf of said entity.

, Notary Public

County, Michigan
Acting in _____ County, Michigan
My commission expires: _____

EXHIBIT A

Grantor shall provide Exhibit for review and attachment.

EXHIBIT C TO THE ORDINANCE
SUBORDINATION AGREEMENT

See attachment

----- SUBORDINATION AGREEMENT -----

THIS SUBORDINATION AGREEMENT (the "Agreement") is this ____ day of _____, 2015, by and between _____, with an address of _____ ("Subordinated Lender") and **McCRACKEN COUNTY, KENTUCKY** ("County"), with a principal mailing address of 300 South 7th Street, Paducah, Kentucky 42003; and **CITY OF PADUCAH, KENTUCKY** ("City"), with a principal mailing address of Post Office Box 2267, Paducah, Kentucky 42002-2267 (County and City shall collectively be referred to as the "Lender")

WITNESSETH:

WHEREAS, Subordinated Lender and Lender have filed or intend to file a financing statement or statements under the Uniform Commercial Code giving notice of a security interest in all or some of the assets of **GENOVA PRODUCTS, INC.** ("Borrower"). Borrower wishes to obtain financing from Lender and Lender has agreed to provide such financing to Borrower on the condition that Subordinated Lender subordinate to Lender any and all interest which Subordinated Lender may presently have or may hereafter acquire in and to certain of Borrower's assets. Subordinated Lender is willing to subordinate its interest in accordance with the terms of this Agreement.

NOW, THEREFORE, in order to induce Lender to extend financing and/or continue to extend financing to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Subordinated Lender hereby unconditionally subordinates to Lender any and all right, title and security interest which Subordinated Lender may presently have or which it may hereafter acquire in and to All trade fixtures, equipment, and fixtures purchased with Advances from the Multiple Advance Draw Loan between Borrower and Lender and owned or to be owned by Borrower and located at 5400 Commerce Drive in Paducah, McCracken County, Kentucky (the "Collateral"). The Collateral shall also include all attachments, accessions, accessories, tools, parts, supplies, increases and additions to and all replacements of and substitutions for, and proceeds (as defined in the Uniform Commercial Code) (including insurance proceeds) of, the Collateral.

2. Except for the subordination by Subordinated Lender to Lender described herein, nothing herein contained shall impair any rights of Lender or Subordinated Lender with respect to any collateral heretofore, now or hereafter pledged to Subordinated Lender or Lender as security for any indebtedness of Borrower, or the proceeds thereof.

3. This Agreement shall constitute a continuing agreement of subordination; provided, however, that this Agreement shall terminate upon payment in full of all of Borrower's obligations to Lender.

4. This Agreement shall be binding on, and shall inure to the benefit of, the successors and assigns of Lender and Subordinated Lender. Subordinated Lender hereby represents and warrants to Lender that Subordinated Lender has not heretofore assigned, transferred, subordinated or terminated any of Subordinated Lender's right, title or security interest in or to any of Borrower's assets subordinated to Lender pursuant to the terms of this Agreement.

5. The subordinations and priorities specified herein are applicable irrespective of the time, manner or order of attachment or perfection of any security interest, liens or claims, or the time or order of filing of any financing statements, or the giving or failure to give notice of the acquisition or expected acquisition of any purchase money security interest or other security interest.

6. Neither Subordinated Lender nor Lender shall be responsible to the other for Borrower's solvency or condition (financial or otherwise), statements, representations or warranties of Borrower (whether oral or written), the validity, sufficiency or enforceability of the documents executed by Borrower or the validity, sufficiency or enforceability or priority of any security interest granted by Borrower in connection therewith. Each of Subordinated Lender and Lender have entered into their respective financing arrangements with Borrower based on its own investigation, and neither has made any representation or warranty to the other with respect to the matters described in this paragraph, or relied upon any such representation or warranty by the other.

7. This Agreement shall be governed, construed and enforced and the rights and obligations of the parties hereunder determined in accordance with the internal laws of the Commonwealth of Kentucky and not the conflict of law provisions. SUBORDINATED LENDER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN McCRACKEN COUNTY, KENTUCKY AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE COLLATERAL, ANY RELATED DOCUMENT OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

8. This Agreement and the terms and provisions hereof are solely for the benefit of Lender and Subordinated Lender and their respective transferees, successors and assigns. Nothing contained in this Agreement is intended, or shall be construed, to limit, diminish, restrict or otherwise affect in any manner the respective rights, entitlements, remedies or claims of Subordinated Lender or Lender, or the liens, security interests or other interests which Lender or Subordinated Lender presented has or hereafter may have in any assets or properties of Borrower, whether real or personal, tangible or intangible, with respect to Borrower or any third party. The parties hereto reserve each and all of their respective rights, entitlements, remedies, claims, liens, security interests or other interests and rights to assert claims, security interests and other interests as against Borrower and any third party.

9. This instrument embodies the whole agreement of the parties hereto, and it is acknowledged that there are no customs, representations, promises, terms, conditions or

LENDER:

McCRACKEN COUNTY, KENTUCKY

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

: ss.

COUNTY OF McCRACKEN)

Subscribed, sworn to and acknowledged before me by **McCRACKEN COUNTY, KENTUCKY, by and through** _____, **its** _____, on this the _____ day of _____, 2015.

My commission expires: _____

Notary ID # _____

NOTARY PUBLIC

KENTUCKY STATE AT LARGE

CITY OF PADUCAH, KENTUCKY

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

: ss.

COUNTY OF McCRACKEN)

Subscribed, sworn to and acknowledged before me by **CITY OF PADUCAH, KENTUCKY, by and through** _____, its _____, on this the _____ day of _____, 2015.

My commission expires: _____
Notary ID # _____

NOTARY PUBLIC
KENTUCKY STATE AT LARGE

I hereby certify that the foregoing instrument has been prepared by:

Law Offices

McMurry & Livingston, PLLC
201 Broadway, P. O. Box 1700
Paducah, KY 42002-1700
(270) 443-6511

By: _____
DAVID C. BOOTH

Agenda Action Form Paducah City Commission

Meeting Date: November 24, 2015

Short Title: Appropriation of Funds for 911 Wireless Communications Consultant

Ordinance Emergency Municipal Order Resolution Motion

Staff Work By: Steve Kyle, Brandon Barnhill
Presentation By: Brandon Barnhill

Background Information:

In 2013, the city commission and fiscal court commissioned a review of E-911 operations. As a result of the report, recommendations were made to establish a capital plan for replacement of equipment. Part of that plan would be identifying replacement equipment for the current equipment that has reached end of life. The Paducah/McCracken County Emergency Communications Board commissioned an RFQ/RFP for a Public Safety/Wireless Communications Consultant. The contracted services with the Public Safety/Wireless Communications Consultant will be for planning, design, and implementation assistance in the replacement of the current 911 system infrastructure, including a public safety radio/wireless communication system, a 911 telephony system, and computer-aided dispatch systems. The result of the review of the RFQ/RFP's submitted was the identification and recommendation of Federal Engineering, Inc., as the consultant to be contracted. The Paducah/McCracken County Emergency Communications Board requests that the City Commission authorize funds for its portion of the contract.

Goal: Strong Economy Quality Services Vital Neighborhoods Restored Downtowns

Funds Available: Account Name: General Fund, Unreserved Fund Balance
Account Number:

Finance

Staff Recommendation:

Accept the recommendation of the Paducah/ McCracken County E-911 Board and provide funding for the engagement of the wireless communications consultant.

Attachments:

Department Head	City Clerk	City Manager
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ORDINANCE NO. 2015 -12 - _____

**AN ORDINANCE AUTHORIZING AND APPROVING THE
APPROPRIATION OF FUNDS FOR PURPOSES OF
ENGAGING FEDERAL ENGINEERING, INC. TO
PERFORM CONSULTING WORK FOR PADUCAH-
McCRACKEN COUNTY EMERGENCY
COMMUNICATIONS**

WHEREAS, the Board of Commissioners of the City of Paducah recognizes that our 911 system infrastructure is one of the most important and critical aspects of providing and delivering public safety to our citizens; and

WHEREAS, the Board of Commissioners of the City of Paducah has been informed that the current 911 system infrastructure has reached the end of its functional life; and

WHEREAS, because of the current state of the 911 system infrastructure, the Paducah-McCracken County Emergency Communications Board sought bids for a Public Safety/Wireless Communications Consultant who could plan, design, and provide implementation assistance in the replacement of the current 911 system infrastructure, including a public safety radio/wireless communication system, a 911 telephony system, and a computer-aided dispatch system; and

WHEREAS, following an evaluation of the proposals, the Paducah/McCracken County Emergency Communications Board selected Federal Engineering, Inc. be commissioned to perform the initial stages of the work in the amount of \$252,172.00, contingent upon joint funding by the City of Paducah and McCracken County; and

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Board of Commissioners of the City of Paducah, being an equal partner in the Paducah-McCracken County Emergency Communications services provided to the citizens of McCracken County, hereby approves and consents to the appropriation of funds in the amount of \$126,086.00, which represents one-half of the consultant's fee for the two initial stages of the Public Safety/Wireless Communications Consultant project.

SECTION 2. The Finance Director is hereby authorized to make said expenditure approved in Section 1 from the General Fund, Unreserved Fund Balance of the City of Paducah, Kentucky.

SECTION 3. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 4. This City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 5. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

SECTION 6. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

MAYOR

ATTEST:

CITY CLERK

Introduced by the Board of Commissioners, November 24, 2015.
Adopted by the Board of Commissioners, _____, 2015.
Recorded by City Clerk, _____, 2015.
Published by The Paducah Sun, _____, 2015.
\\ord\911-consulting work