

**SECURITY INTEREST AGREEMENT between the
MARC Solid Waste Management District and Jackson County**

415 E 12th Street, Kansas City, Mo 64106

June 5, 2014

37910 E PINK HILL ROAD, UNINCORPORATED, MO 64075 PARCEL 21-800-03-08-00-0-00-000
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For valuable consideration, the receipt of which is hereby acknowledged, the MARC
SOLID WASTE MANAGEMENT DISTRICT hereafter referred to as "Secured Party") retains a
continuing security interest agreement in the collateral described herein with JACKSON
COUNTY (hereafter referred to as "District Subgrantee") to secure performance of the District
Subgrantee's obligations under the district grant #E2014-006 hereunder, as of this 17th day of
July, 2014.

WHEREAS, the Secured Party and the District Subgrantee have entered into a Grant
Assistance Agreement dated December 30, 2013, whereby Secured Party has agreed to provide
financial assistance to District Subgrantee to enable it to carry out the project therein described,
including providing the sum of \$64,632 for the purpose of developing a yard waste facility to be
used for the purposes described in the Grant Assistance Agreement, on the condition that the
District Subgrantee execute and deliver any documents reasonably required by Secured Party to
secure the obligations of the District Subgrantee under the Grant Assistance Agreement; and

WHEREAS, the Secured Party contemporaneously with the execution of this security
agreement ("Security Agreement"), will deliver \$64,632

THEREFORE, the parties agree as follows:

Description of Collateral. The site improvement covered by this Security Agreement and
referred to as the Collateral is described below.

Description of Collateral: Improvements to site include 6' chain link fencing and aggregate.
Other expenses are toward accessories for site development such as a generator and signage.

Serial Number: #E0180

Purchase Price: \$64,632

Date of Purchase: June 5, 2014 (Site Completed/Opening Day)

FILED
JUL 17 2014
MARY JO SPINO
COUNTY CLERK

- I. Description of Obligations. The security interest created, granted and agreed to herein is intended to and shall secure performance of the obligations ("Obligations") of the District Subgrantee described in the Grant Assistance Agreement.

- II. Representations, Warranties and Covenants of Grantee. Grantee hereby represents and agrees that:
 - A. Except for this security interest, District Subgrantee is the owner of the Collateral free from any adverse lien, security interest or encumbrance. Grantee shall notify the Secured Party of and shall defend the Collateral against any claim against the Collateral and shall fully indemnify and hold harmless the Secured Party for all loss or expense incurred by the Secured Party as a result of any such claim.

 - B. No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office, and that at the request of the Secured Party, District Subgrantee shall join Secured Party in executing one or more financing statements pursuant to County Recorder's Office and shall pay the cost of filing the same in all public offices wherever filing is deemed by Secured Party to be necessary.

 - C. The Collateral shall be used only for the purposes of collecting yard waste debris for composting and/or mulching, and shall not be used for other purposes without the prior written consent of Secured Party.

 - D. District Subgrantee agrees to keep the Collateral insured against physical damage and theft and to procure and maintain such other insurance as the Secured Party may require, and if it fails to do so, the Secured Party may procure insurance. The proceeds of any insurance, whether paid by reason of loss, injury, return premium, or otherwise, shall be applied toward the repair or replacement of the Collateral or shall at the option of the Secured Party be paid to the Secured Party to be held as security for the performance of the Obligations for which this security interest is given. District Subgrantee agrees to hold the Secured Party harmless from any and all liabilities, including all costs and attorney's fees for damage to person or property caused in any manner by the ownership, possession or use of the Collateral.

 - E. District Subgrantee shall keep the Collateral free from any adverse lien, security interest or encumbrance and shall not use the Collateral in violation of any statute or ordinance. The Secured Party may examine and inspect the Collateral at any reasonable time, wherever located and may, at its option, perform any agreement of District Subgrantee hereunder which District Subgrantee fails to perform and take any other action which the Secured Party deems necessary for the maintenance or preservation of the Collateral or its security interest therein.

 - F. District Subgrantee shall pay promptly, when due, all taxes and assessments upon the Collateral.

 - G. District Subgrantee shall not sell, assign, transfer or convey the Collateral without the prior written consent of the Secured Party, which consent shall be given if Secured

Party is given replacement collateral which, in Secured Party's reasonable judgment, leaves Secured Party no less secured than prior to the consent to transfer. All additions to, replacements of, or substitutions for the Collateral, as well as proceeds from the sale of the Collateral are covered by this Security Agreement.

- H. District Subgrantee shall keep the Collateral and replacements thereof in good condition, and repair and shall comply with all laws, rules and regulations made by governmental authority and applicable thereto.
- I. District Subgrantee agrees to pay to the Secured Party all of its costs, including attorney's fees and court costs, incurred in connection with any action taken by the Secured Party to protect its rights hereunder.

IV. Default. District Subgrantee shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions:

- A. The breach of any of the representations or agreements under this Security Agreement, the Grant Assistance Agreement, if such breach continues for more than ten (10) days after written notice is given to District Subgrantee.
- B. Any material loss, theft or damage of the Collateral without reasonably prompt replacement thereof, or any levy, seizure or attachment thereof or thereon which is not within ten (10) days released or removed. If insurance proceeds covering such loss, theft or damage are received by the Secured Party, then such failure to replace shall not constitute a default.
- C. If the District Subgrantee commits any act of bankruptcy, becomes insolvent, makes an assignment for the benefit of creditors, appoints a committee of creditors, or makes or sends notice of any bulk transfer; or if there is filed, by or against District Subgrantee, any petition for relief under the Bankruptcy laws of the United States or under any insolvency, dissolution or liquidation law of any other jurisdictions; or if the District Subgrantee suspends the transaction of its usual business; or if any petition is filed by or against the District Subgrantee for the appointment of a receiver or trustee; or if the financial condition of District Subgrantee in the sole judgment of the Secured Party, endangers the rights of the Secured Party.

V. Rights and Remedies of Secured Party Upon Default.

- A. At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Should the District Subgrantee fail to take any action which it is obligated hereunder to do, then the Secured Party may, at its sole discretion, upon five (5) days prior written notice to District Subgrantee, do the same in such manner and to such extent as the Secured Party may deem necessary to protect its interests hereunder. District Subgrantee agrees to reimburse the Secured Party pursuant to the foregoing authorization.

B. Without limiting any of the rights and remedies conferred upon Secured Party under this Section V, Secured Party may, in the event of a default hereunder, have the remedies of a secured party under the County Recorder of Deeds.

VI. Remedies Cumulative. Any and all remedies herein expressly conferred upon Secured Party shall be deemed cumulative with, may be exercised singly and concurrently, and not exclusive of, any other remedy conferred hereby or by law on Secured Party, and the exercise of any one remedy shall not preclude the exercise of any other.

VII. Waiver. Failure of the Secured Party to exercise any rights it may have upon breach hereof or upon Grantee's default in payment or performance of any Obligation secured hereby shall not be deemed to be a waiver of Secured Party's rights thereupon or to be a release of District Subgrantee from its Obligations hereunder or under such indebtedness.

VIII. Amendment. No agreement unless in writing and signed by the Secured Party, and no course of dealing between the parties shall be effective to change or modify or to discharge in whole or in part this Security Agreement.

IX. Notices. All notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, certified mail, return receipt requested, postage prepaid, addressed to the party's last known address.

X. Applicable Law. This Security Agreement is entered into pursuant to the provisions of the County Recorder of Deeds as it is in force in the State of Missouri and shall, in all respects, be governed by the laws of the state of Missouri.

XI. Successors and Assigns. This agreement shall be binding upon and inure to the benefit of District Subgrantee and Secured Party and their respective successors and assigns, provided that Secured Party shall have given its prior written consent to the transfer or assignment. It is expressly agreed that Secured Party's rights hereunder are fully assignable.

XII. Duration of Security Interest. This Security Agreement shall continue in full force and effect and the security interest granted hereby shall continue to be fully operative for the number of years during which the site shall be used for the project, as specified in the Special Terms and Conditions (Attachment 1, to the Grant Assistance Agreement), and until disposition of the Collateral as discussed in the General Terms and Conditions (Attachment 1 Section V and Attachment 2, Section N (1) (b)). The security interest of the Secured Party shall decrease at a rate of 20 percent of the provided funding per year for equipment and at a decreased rate of 10 percent of the provided funding per year for buildings and site improvements.

XIII. Severability. If any term of this Security Agreement shall be held to be invalid, illegal, or unenforceable, the validity of all other terms hereof shall in no way be affected thereby.

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed on and as of the date first above written.

By Michael Sanders, County Executive
Jackson County, Missouri

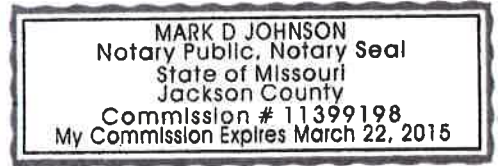
Date: _____

Chris Bussen

By Chris Bussen, Chair
MARC Solid Waste Management District

Date: 6/18/14

Notary required for submittal to County Recorder of Deeds.



State of Missouri
County of Jackson

This document was signed before me on June 18, 2014 by
Chris Bussen.

Notary Signature Mark D. Johnson

Printed Name Mark D. Johnson

Notary Public for the State of Missouri

My commission expires March 22, 2015

APPROVED AS TO FORM:

By Jay D. Haden
Jay D. Haden,
Chief Deputy County Counselor

ATTEST BY:

Mary Jo Spino
Mary Jo Spino,
Clerk of the County Legislature