



PREVAILING WAGES POLICY

CHAPTER 68 BOND FINANCED SALE-LEASEBACK PROJECTS

Port KC periodically issues its bonds for the purposes of sponsoring and financing port improvement projects consisting of improvements to property owned by Port KC and leased to a developer (“Developer”), with such improvements being performed by contractors under contracts let by Developer. Such work is not performed by or on behalf of Port KC, and is therefore not subject to the Prevailing Wage Requirements as such term is herein defined. Work performed in conjunction with such improvements and located within any public right-of-way (such right-of-way not being exclusively occupied by Developer) is, however, subject to the Prevailing Wage Requirements (“Prevailing Wage Applicable Work”).

For purposes of this document, the “Prevailing Wage Requirements” shall collectively refer to the following, each of which if not physically affixed hereto shall be deemed incorporated herein and shall be on-file with Port KC and available to Developer upon request:

- A. Sections 290.210 to 290.340, RSMo, the State of Missouri Prevailing Wage Law (“Law”); and
- B. 8 CSR 30-3.010 to 8 CSR 30-3.060, the Prevailing Wage Law Rules (“Rules”); and
- C. The Annual Wage Order (“Wage Order”) issued by the State of Missouri’s Department of Labor and Industrial Relations; and
- D. Any applicable Annual Incremental Wage Increase (“Wage Increase”) to the Wage Order.

In accordance with the provisions of the Prevailing Wage Requirements, Developer will pay or cause to be paid the applicable prevailing hourly rate of wages to all workers entitled to the same with respect to any and all Prevailing Wage Applicable Work. If and to the extent the Prevailing Wage Requirements are applicable, Developer will take whatever lawful steps are necessary to ensure that prevailing hourly rate of wages are paid by the contractor(s) and all subcontractors thereunder, of every tier, according to the type of work being performed. Developer, at its sole cost and expense, may use a contract management firm to monitor the payment of the prevailing hourly rate of wages.

In order to monitor the applicability of the Prevailing Wage Requirement and Developer’s compliance with the same, the Developer shall abide by the following, as applicable, commencing as of the calendar month immediately following the date of bond issuance and continuing each and every calendar month thereafter until such time as the project has been fully completed as evidenced by Developer’s submission of the Certificate of Completion:

- A. In the event that no work subject to the Prevailing Wage Requirements was performed during a given calendar month, Developer or its contract management firm, as applicable, shall complete and submit the “Affidavit of No Prevailing Wage Applicable Work,” attached hereto and incorporated herein as **Appendix I**. The affidavit shall be due in arrears no later than the tenth calendar day of each month; or

B. In the event that work subject to the Prevailing Wage Requirement is performed during a given calendar month, Developer or its contract management firm, as applicable, shall do the following with respect to any and all Prevailing Wage Applicable Work:

- i. Require the contractor(s) and all subcontractors thereunder to post and keep posted a clearly legible statement of all prevailing hourly rate of wages to be paid to the workers in a prominent and easily accessible place at the location of the Prevailing Wage Applicable Work; and
- ii. Require the contractor(s) and all subcontractors thereunder to each fully complete Port KC's "Daily Labor Force Report," attached hereto and incorporated herein as **Appendix II**, for each calendar day that Prevailing Wage Applicable Work is being performed by such contractor(s) and subcontractors, and to remit the same to Developer or its contract management firm not less than weekly; and
- iii. Require the contractor(s) and all subcontractors thereunder to each fully complete Port KC's "Certified Payroll Report", attached hereto and incorporated herein as **Appendix III**, for each calendar week that Prevailing Wage Applicable Work is being performed by such contractor(s) and subcontractors, and to remit the same to Developer or its contract management firm not more than one week after the close of the applicable payroll reporting period; and
- iv. Complete weekly interviews with randomly selected workers to identify any potential compliance issues; and
- v. Review every Daily Labor Force Report in conjunction with the applicable Certified Payroll Report and identify any errors, omissions, or entries inconsistent with the Prevailing Wage Requirements; and
- vi. Require the contractor(s) and all subcontractors thereunder to correct any errors, omissions or entries inconsistent with the Prevailing Wage Requirements that are identified during such review of the same, and to remit to the affected workers any additional sums determined to be due as a result of such corrections; and
- vii. Remit to Port KC, no later than the tenth calendar day of each month, the Certified Payroll Reports as corrected, if applicable, for the immediately preceding calendar month. (The corresponding Daily Labor Force Reports shall **not** be submitted to Port KC but shall be retained as otherwise provided for herein, and are subject to review by Port KC and its authorized agents upon their request); and
- viii. File with Port KC, no later than the date upon which it submits its Certificate of Completion, the "Affidavit of Compliance With Prevailing Wage Requirements," attached hereto and incorporated herein as **Appendix IV**, for each and every contractor and all subcontractor(s) thereunder, for the purpose of certifying their compliance with the Prevailing Wage Requirements. In the event that Developer is concurrently serving as a contractor, Developer shall likewise complete and submit the Affidavit of Compliance With Prevailing Wage Requirements.

Without limiting any other remedy available to Port KC under the Transaction Documents (as such term is defined within the Agreement to which this policy is attached), the failure to fully, accurately and timely complete and submit **Appendix I**, **Appendix III**, and/or **Appendix IV**, as applicable, will result in Port KC sustaining damages, the exact extent of which would be difficult or impossible to ascertain. Therefore, in order to liquidate those damages, commencing as of

tenth calendar day from and after the respective due dates, Port KC shall be entitled to impose upon and collect from Developer the sum of One Hundred Dollars (\$100.00) for each full or partial weekday (Monday through Friday) any submittal required by this policy remains overdue, and such liquidated damages may be collected by Port KC in the form of an additive to the Additional Rent required pursuant to the terms of the Lease Agreement, or in such other manner as may be authorized by the Transaction Documents. Furthermore, and notwithstanding anything to the contrary in the Incentives Compliance Agreement or any exhibit thereto, in the event any submittal required by this policy remains overdue for a period in excess of ninety (90) calendar days, Port KC may elect, in its sole discretion, to rescind, in whole or in part, any real and/or personal ad valorem property tax exemptions otherwise granted to Developer under the terms of the Transaction Documents for the calendar year in which the applicable submittal was due, and the Developer shall be obligated to pay an amount equaling up to one hundred percent (100%) of the real and/or personal ad valorem property taxes that would have otherwise been due but for Port KC's ownership.

All records submitted to Developer with respect to the Prevailing Wage Requirements or otherwise herein required shall be retained by Developer for not less than three (3) full year following the date upon which Developer submits to Port KC the "final" Certified Payroll Reports for the Prevailing Wage Applicable Work, and shall be made available for review by Port KC and its authorized agents upon request. Port KC shall have the absolute right to audit Developer's compliance with the provisions of this document and to examine, in whole or in part, any records which Developer is required to obtain and retain, and to interview any workmen in connection therewith. Developer shall grant Port KC or its authorized representative access to such records and workmen, if applicable, during business hours, and shall make such records and workmen available at the location of the Prevailing Wage Applicable Work or such other location in reasonable proximity thereto as Port KC may identify. Developer shall require its contract management firm, if applicable, to comply with this Prevailing Wages Policy in every regard.

Developer is solely responsible for ensuring that its contractor(s) and subcontractors comply with the provision of the Prevailing Wage Requirements and shall be the sole point of contact for Port KC with respect such matters. Developer shall not instruct its contractor(s) and subcontractors to submit any documentation required by this Prevailing Wages Policy or the Prevailing Wage Requirements directly to Port KC unless Port KC and Developer shall have mutually agreed otherwise in writing. Any documentation not otherwise submitted through Developer may be rejected by Port KC in its sole discretion, in which case Developer shall resubmit such materials.

If any allegations or inquiries are made with respect to any potential violations of the Prevailing Wage Requirements, or if Developer's review of the Daily Labor Force Reports and Certified Payroll Reports indicates a violation, Developer must notify Port KC in writing within five (5) calendar days of learning of such allegation, inquiry or violation. Developer must follow up with the relevant contractor(s) and subcontractors thereunder until all allegations, inquiries or violations are satisfactorily resolved and disclose the resolution to Port KC, in writing, within five (5) calendar days following the resolution of all such allegations, inquiries or violations.

If any violations of the Prevailing Wage Requirements are not resolved to the satisfaction of Port KC, Port KC may identify, by written notice to Developer, the workers claiming to have been underpaid, the days they claim to have been underpaid, and the amounts they claim to have been underpaid. Developer will have ten (10) calendar days following receipt of such notice, or such longer time as Port KC may authorize in writing, to respond to the notice. Developer will be given reasonable notice and an opportunity to be heard on the matter. Based on the information in the notice, Developer's response, and such additional information as Port KC determines relevant, Port KC will render a written decision as to the amount, if any, of additional wages Port KC concludes is owed. Within ten (10) calendar days following Developer's receipt of such Port KC determination, Developer shall either (i) promptly pay or cause to be paid any such wages that Port KC determines are owed, or (ii) notify Port KC in writing that it disputes Port KC's determination. In the event

Developer elects (ii) above, the matter shall be referred to the State of Missouri's Department of Labor and Industrial Relations for further enforcement action. Notwithstanding the foregoing, nothing herein shall be construed as precluding Developer from any additional civil and criminal liability imposed by the Prevailing Wage Requirements.

The failure to comply with the Prevailing Wage Requirements may subject Developer to the payment of statutory penalties to Port KC. Developer shall incur a statutory penalty of one hundred dollars (\$100.00) for each worker employed, for each calendar day, or portion thereof, such worker is paid less than the prevailing hourly rate of wages for any work done on behalf of Developer and the contractor(s) and all subcontractor(s) thereunder. In the event that Port KC shall become entitled to statutory penalties, Port KC shall be entitled to collect the same in any manner authorized by the provisions of any agreement or contract, however denominated, to which the provisions of this Prevailing Wages Policy shall be attached or incorporated by reference. Any statutory penalties shall be imposed and collected, if due, consistent with the procedures established by Law.

The provisions of this Prevailing Wages Policy shall survive the termination or expiration of any agreement or contract, however denominated, to which they shall be attached or incorporated by reference.



APPENDIX I

AFFIDAVIT OF NO PREVAILING WAGE APPLICABLE WORK

Project Title: _____

Date: _____

The undersigned Authorized Representative hereby represents, certifies and attests that no Prevailing Wage Applicable Work (as such term is defined by Port KC's Prevailing Wage Policy) was performed on the above-referenced project during the month of _____, 20__.

The matters stated herein are true to the best of my information, knowledge and belief. I acknowledge that a false statement for the purposes of avoiding the payment of prevailing wages may subject me to criminal prosecution pursuant to §§ 290.340, 570.090, 575.040, 575.050, and/or 575.060, RSMo.

[DEVELOPER]

By: _____
Authorized Representative



APPENDIX II

DAILY LABOR FORCE REPORT

Project Title _____ Date _____

Contractor/Subcontractor _____

Weather: (Indicate if weather prevented work and why) _____

Shift: (circle) 5–8 hr Days 4–10 hr Days Other _____

Worker’s Full Legal Name	Occupational Title or Classification Group & Skill	Hours Worked & Time (i.e. 10AM – 4PM)

I CERTIFY THAT ALL OF THE INFORMATION PROVIDED ABOVE IS TRUE AND COMPLETE.

Contractor/Subcontractor Representative:

Complete Name: (print) _____ Title: (print) _____

Signature: _____



APPENDIX IV

AFFIDAVIT OF COMPLIANCE WITH PREVAILING WAGE REQUIREMENTS

Project Title _____ Date _____

I, _____ (name) _____, upon being duly sworn upon my oath state that: (1) I am the _____ (title) _____ of _____ (business entity) _____; (2) all requirements of §§291.210 to 290.340, RSMo, pertaining to the payment of wages to workers employed on public works projects have been fully satisfied with regard to this company’s work on the above-referenced project; (3) I have read and am familiar with the prevailing wage rules in 8 CSR 30-3.010 to 8 CSR 30-3.060; (4) based upon my knowledge of these rules, including the occupational titles set out in 8 CSR 30-3.060, I have completed full and accurate records clearly indicating (a) the names, occupations, and crafts of every work employed by this company in connection with this project together with an accurate record of the number of hours worked by each worker and the actual wages paid for each class or type of work performed, (b) the payroll deductions that have been made for each worker, and (c) the amounts paid to provide fringe benefits, if any, for each worker; (5) the amounts paid to provide fringe benefits, if any, were irrevocably made to a fund, plan, or program on behalf of the workers; (6) these payroll records are kept and have been provided for inspection to Port KC and will be made available, as often as may be necessary, to Port KC and the State of Missouri’s Department of Labor and Industrial Relations; (7) such records shall not be destroyed or removed from the state for three years following the completion of this company’s work on the project; and (8) there has been no exception to the full and complete compliance with the provisions and requirements of Annual Wage Order No. _____ issued by the State of Missouri’s Division of Labor Standards and applicable to this project located in _____ County, Missouri.

The matters stated herein are true to the best of my information, knowledge, and belief. I acknowledge that the falsification of any information set out above may subject me to criminal prosecution pursuant to §§ 290.340, 570.090, 575.040, 575.050, or 575.060, RSMo.

Affiant’s signature

Subscribed and sworn to before me this ____ day of _____, 20____.

Notary Public

My Commission expires: