

NEW ISSUE – BOOK-ENTRY ONLY

NOT RATED

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the interest on the Bonds (as defined herein) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See the caption “TAX MATTERS” in this Private Placement Memorandum.

\$9,265,000

**CITY OF BLUE SPRINGS, MISSOURI
SPECIAL OBLIGATION REVENUE BONDS
(WHITE OAK MARKETPLACE PROJECT)
SERIES 2016**

Dated Date, Amounts, Maturities, Interest Rates and Prices as Shown on the Inside Front Cover

The Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016 (the “Bonds”) are being issued by the City of Blue Springs, Missouri (the “City”) pursuant to a Trust Indenture, dated as of December 1, 2016 (the “Indenture”), between the City and UMB Bank, N.A., as bond trustee (the “Trustee”). The Bonds are being issued for the purpose of (i) financing certain Redevelopment Project Costs (as such term is defined herein), (ii) funding a debt service reserve fund for the Bonds, (iii) funding capitalized interest on the Bonds, and (iv) paying the costs of issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from Pledged Revenues (as defined herein), consisting of Net Revenues (as defined herein) and certain moneys on deposit under the Indenture.

THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE DISTRICT (AS DEFINED HEREIN), THE STATE OF MISSOURI (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

The Bonds may be transferred only in Authorized Denominations. The Bonds shall be transferable by the Original Purchaser or subsequent transferees only upon prior delivery to the City and the Trustee of an Investor Letter in substantially the form of Exhibit E to the Indenture (the form of which is included as Appendix A-1 to this Private Placement Memorandum), signed by the transferee, stating that the transferee is an Approved Investor (as defined herein) and certain other matters set forth in the form thereof.

Interest on the Bonds will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2017.

The Bonds are subject to redemption prior to maturity in certain circumstances as described in this Private Placement Memorandum under the caption “THE BONDS – Redemption.”

Prospective investors are advised that none of the property comprising the Redevelopment Project is pledged as security for the Bonds. Neither the Developer nor any affiliate of the Developer or any partner, shareholder, officer, director, agent or representative of the Developer, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds. **There is no mortgage securing the Bonds.**

An investment in the Bonds involves a high degree of risk, and prospective purchasers should read the section herein captioned “INVESTMENT CONSIDERATIONS AND RISKS.” The Bonds are not suitable investments for all persons, and prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should confer with their own legal and financial advisors and should be able to bear the risk of loss of their investment in the Bonds before considering a purchase of the Bonds.

The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Individual purchases of interests in the Bonds will be made in book-entry form only. Purchasers of such interests (the “Beneficial Owners”) will not receive certificates representing their interests in the Bonds. So long as Cede & Co., as nominee of DTC, is the owner of the Bonds, references herein to the owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds is payable to the registered owners of the Bonds as described in this Private Placement Memorandum.

This cover page contains information for ease of reference only. It does not constitute a summary of the Bonds or the security therefor. Prospective investors must read this entire Private Placement Memorandum, including the appendices hereto, to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the City and accepted by the purchaser thereof, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its City Attorney; for the Developer by Polsinelli PC, Kansas City Missouri; and for the Placement Agent by Bryan Cave LLP, Kansas City, Missouri. Springsted, Incorporated served as financial advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through DTC on or about December 29, 2016.



acting as Placement Agent

The date of this Private Placement Memorandum is December 19, 2016

**DATED DATE, MATURITY DATES, PRINCIPAL AMOUNTS,
INTEREST RATES AND PRICES**

\$9,265,000

**City of Blue Springs, Missouri
Special Obligation Revenue Bonds
(White Oak Marketplace Project)
Series 2016**

Dated: Date of Issuance and Delivery

Term Bonds

\$1,635,000 3.750% Term Bonds due May 1, 2027; Price: 100%

\$7,630,000 5.150% Term Bonds due May 1, 2040; Price: 100%



REGARDING USE OF THIS PRIVATE PLACEMENT MEMORANDUM

No dealer, broker, salesperson or other person has been authorized by the City, the District, the Developer or the Placement Agent to give information or to make any representations with respect to the Bonds, other than those contained in this Private Placement Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Private Placement Memorandum is being furnished by the Developer for the purpose of each such investor's consideration of the purchase of the Bonds as described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Private Placement Memorandum, nor any sale hereunder implies that there has been no change in the matters described herein since the date hereof. This Private Placement Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. Interested investors are being provided the opportunity to ask questions and examine documents and records as they may desire, and are advised to contact the Placement Agent to secure further information concerning the Bonds.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF ANY STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

AN INVESTMENT IN THE BONDS INVOLVES A HIGH DEGREE OF RISK, AND PROSPECTIVE PURCHASERS SHOULD READ THE SECTION HEREIN CAPTIONED "INVESTMENT CONSIDERATIONS AND RISKS." THE BONDS ARE NOT SUITABLE INVESTMENTS FOR ALL PERSONS, AND PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF AN INVESTMENT IN THE BONDS, SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS AND SHOULD BE ABLE TO BEAR THE RISK OF LOSS OF THEIR INVESTMENT IN THE BONDS BEFORE CONSIDERING A PURCHASE OF THE BONDS. THE BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE BONDS.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE PLACEMENT AGENT, ITS AFFILIATES, OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

**CAUTIONARY STATEMENTS REGARDING FORWARD-
LOOKING STATEMENTS IN THIS PRIVATE PLACEMENT MEMORANDUM**

Certain statements included or incorporated by reference in this Private Placement Memorandum constitute “forward-looking statements” within the meaning of the United State Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan”, “expect”, “estimate”, “anticipate”, “budget” or other similar words. Such forward looking statements include, among others, certain statements under the sections in this Private Placement Memorandum captioned “**PLAN OF FINANCE,**” “**PROJECTED REVENUES AND DEBT SERVICE COVERAGE,**” “**INVESTMENT CONSIDERATIONS AND RISKS,**” “**THE WHITE OAK MARKETPLACE PROJECT,**” “**REVENUE STUDY**” and in **Appendix D** to this Private Placement Memorandum.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRIVATE PLACEMENT MEMORANDUM WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRIVATE PLACEMENT MEMORANDUM ARE BASED ON INFORMATION AVAILABLE TO THE CITY AND THE DEVELOPER ON THE DATE HEREOF, AND THE CITY AND THE DEVELOPER ASSUME NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR.

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PRIVATE PLACEMENT MEMORANDUM

relating to

\$9,265,000

**CITY OF BLUE SPRINGS, MISSOURI
SPECIAL OBLIGATION REVENUE BONDS
(WHITE OAK MARKETPLACE PROJECT)
SERIES 2016**

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Private Placement Memorandum. The order and placement of materials in this Private Placement Memorandum, including the Appendices, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Private Placement Memorandum, including the cover page and the Appendices, must be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Private Placement Memorandum.

For definitions of certain capitalized terms used herein and not otherwise defined, see the definitions included in the form of the Indenture attached as Appendix A-1 to this Private Placement Memorandum.

Purpose of the Private Placement Memorandum

The purpose of this Private Placement Memorandum is to furnish information relating to (1) the City of Blue Springs, Missouri (the “**City**”), (2) the City’s Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016 being issued in the original principal amount of \$9,265,000 (the “**Bonds**”), (3) the White Oak Community Improvement District (the “**District**”) (4) the White Oak Marketplace Project (as defined herein) being redeveloped by Development Associates, LLC, a Missouri limited liability company (the “**Developer**”).

The City

The City is a constitutional charter city and political subdivision duly organized and validly existing under the laws of the State of Missouri (the “**State**”). The City is authorized under its Charter and the Revised Statutes of Missouri, including, but not limited to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the “**TIF Act**”), to issue bonds for the purpose of providing funds to finance the costs of certain redevelopment projects and to pay certain costs related to the issuance. For further information concerning the City, see the caption “**THE CITY**” in this Private Placement Memorandum.

The Developer

The Developer is a limited liability company organized and validly existing under the laws of the State of Missouri. See the caption “**WHITE OAK MARKETPLACE PROJECT – The Developer**” in this Private Placement Memorandum for further information with respect to the Developer.

The Bonds

The City will issue the Bonds pursuant to a Trust Indenture, dated as of December 1, 2016 (the “**Indenture**”), between the City and UMB Bank, N.A., as trustee thereunder (the “**Trustee**”), for the

purpose of providing funds to (i) finance Redevelopment Project Costs (as defined in the Indenture), (ii) fund a debt service reserve fund for the Bonds, (iii) funding capitalized interest on the Bonds through February, 2018, and (iv) pay the costs of issuance of the Bonds. See the caption “**PLAN OF FINANCE**” in this Private Placement Memorandum.

A description of the Bonds is contained in this Private Placement Memorandum under the caption “**THE BONDS.**” All references to the Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Indenture.

The Bonds are subject to redemption prior to maturity as described under the caption “**THE BONDS – Redemption**” in this Private Placement Memorandum.

The Bonds are payable only from the Net Revenues and certain other funds held by the Trustee under the terms of the Indenture, all as described in this Private Placement Memorandum under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The Redevelopment Project and Proceedings Regarding the Redevelopment Project Area B and the Redevelopment Project

On November 17, 2014, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “**TIF Act**”), the City implemented tax increment financing in an approximately 20.5 acre area of the City generally located at the southwest corner of Missouri Highway 7 and SW Sunset Street (the “**Redevelopment Area**”), as identified in the White Oak Tax Increment Financing Plan (the “**Redevelopment Plan**”) by adopting all ordinances approving the Redevelopment Plan.

The Redevelopment Plan provides for (i) acquisition of all property rights for the Redevelopment Area by the Developer; (ii) demolition of existing improvements located therein; (iii) completion of site work and infrastructure improvements; (iv) construction of an approximately 85,000 square foot grocery store; (v) construction of approximately 19,250 square feet of additional commercial space; and (vi) construction of an approximately 180-unit senior housing complex in the Redevelopment Area (the “**Redevelopment Projects**”), which will be implemented in two (2) Redevelopment Project Areas. Redevelopment Project B generally consists of the development and construction of the grocery store and additional commercial space (“**Redevelopment Project B**”) and Redevelopment Project A generally consists of development and construction of an approximately 180-unit senior housing complex (“**Redevelopment Project A**”). The portion of the Redevelopment Area in which Redevelopment Project A is to be development is referred to “**Redevelopment Project Area A**” and the portion of the Redevelopment Area in which Redevelopment Project B is to be development is referred to “**Redevelopment Project Area B.**”

The City and the Developer entered into a Tax Increment Financing Contract dated November 17, 2014 (as amended and supplemented, the “**Redevelopment Agreement**”), pursuant to which the Developer agreed to redevelop the Redevelopment Area through the construction of the Redevelopment Projects. On October 20, 2016, the Developer sold Redevelopment Project Area A to a related entity, Multi Family Development Associates, LLC, a Missouri limited liability company (“**Project Area A Developer**”), and, in connection with such transfer, the Developer and the Project Area A Developer executed a Partial Assignment and Assumption of TIF Contract, dated as of October 20, 2016, pursuant to which the Developer assigned to the Project Area A Developer, and the Project Area A Developer assumed, all of the Developer’s rights, duties and obligations under the Redevelopment Agreement with respect to the Redevelopment Project Area A. **The Bonds are secured by revenues to be generated solely within Redevelopment Project Area B.**

The Developer has undertaken the development Redevelopment Project B, which provides for the redevelopment and financing of the retail center known as “White Oak Marketplace” in a single phase. See the caption “**WHITE OAK MARKETPLACE PROJECT**” in this Private Placement Memorandum.

The White Oak Community Improvement District and CID Sales Tax

On November 17, 2014, the City adopted an ordinance approving the petition for and establishing the White Oak Community Improvement District (the “**District**”). The District is a political subdivision of the State with authority to impose certain taxes to carry out its purposes pursuant to the provisions of Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the “**CID Act**”). The boundaries of the District are coterminous to the boundaries of the Redevelopment Area.

The District was created for the purpose of imposing and levying a sales tax on retail sales occurring within the District. On November 15, 2016, the voters of the District approved a CID sales tax in the amount of 1% that will commence being levied on April 1, 2017 and terminate 23 years later on March 31, 2040 (the “**CID Sales Tax**”).

Pursuant to the Cooperative Agreement, dated as of April 20, 2015 (the “**CID Agreement**”), among the City, the District and the Developer, and the Indenture, the CID Revenues (as defined herein) will be available for the payment of debt service on the Bonds.

Fifty percent (50%) of the revenues from the CID Sales Tax (the “**TIF Portion of CID Revenues**”), excluding certain items as described in the TIF Act, will be captured as Economic Activity Tax Revenues pursuant to the TIF Act and will be available, subject to annual appropriation by the City, as Economic Activity Tax Revenues for payment of the Bonds under the Indenture. See the captions “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” and “**THE WHITE OAK COMMUNITY IMPROVEMENT DISTRICT AND THE CID SALES TAX**” in this Private Placement Memorandum.

Security and Sources of Payment for the Bonds

In General. The Bonds and the interest thereon are special, limited obligations of the City, payable solely from the Pledged Revenues held by the Trustee as provided in the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. The “**Trust Estate**” consists of:

(a) All Net Revenues derived by the City under and pursuant to and subject to the provisions of the Redevelopment Agreement or otherwise (excluding the City’s rights to payment of its fees and expenses and to be indemnified in certain events) and the Pledged Revenues; and

(b) All moneys and securities from time to time held by the Trustee under the terms of this Indenture (except payments required to be made to meet the requirements of Section 148(f) of the Code, as defined below, whether or not held in the Rebate Fund, as defined in the Indenture) and any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the City or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

“**Pledged Revenues**” means all Net Revenues and all moneys held in the Project Fund, the Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund under the Indenture, together with investment earnings thereon.

“**Net Revenues**” means (a) all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount of the PILOTS Account of the Special Allocation Fund derived from redevelopment that occurs within Redevelopment Project Area B but excluding the Fire District PILOTS Reimbursement, the School District PILOTS Reimbursement and the City Administrative Fee determined based on the amount of Payments in Lieu of Taxes, (b) subject to annual appropriation by the City, all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount account of the Economic Activity Tax Account of the Special Allocation Fund derived from redevelopment that occurs within Redevelopment Project Area B, but excluding the Fire District EAT’s Reimbursement and the City Administrative Fee determined based on the amount of Economic Activity Tax Revenues, (c) subject to annual appropriation by the District, all CID Revenues (including investment earnings thereon) derived from redevelopment that occurs within Redevelopment Project Area B, paid by or on behalf of the District to the Trustee as provided in the Indenture, but excluding the City Administrative Fee determined based on the amount of CID Revenues, and (d) subject to annual appropriation by the City, the City’s Supplemental TIF Revenue derived from redevelopment that occurs within Redevelopment Project Area B, paid by the City to the Trustee as provided in the Indenture. Net Revenues do not include (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer and (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

Because the TIF Act provides that 23 years is the maximum amount of time for the retirement of obligations incurred to finance redevelopment project costs, the obligation of the City to transfer Economic Activity Tax Revenues and Payments in Lieu of Taxes to the Trustee for the repayment of the Bonds terminates on November 16, 2037 whether or not the principal amount thereof or interest thereon has been paid in full. Thereafter, the revenues available for repayment of the Bonds, subject to appropriation by the District’s sales taxes terminate on March 31, 2040. See the caption “WHITE OAK COMMUNITY IMPROVEMENT DISTRICT AND CID SALES TAX” in this Private Placement Memorandum.

<u>Source of Revenues</u>	<u>Start Date</u>	<u>End Date</u>
Payments in Lieu of Taxes, Economic Activity Tax Revenues and City’s Supplemental TIF Revenues	November 17, 2014	November 16, 2037
CID Sales Taxes	April 1, 2017	March 31, 2040

See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Private Placement Memorandum.

Financing Agreement. In connection with the issuance of the Bonds, the City and the District are entering into the Financing Agreement, dated as of December 1, 2016 (the “**Financing Agreement**”), pursuant to which the parties have agreed to certain reporting and budgeting procedures relating to the operation of the District and affirmed that the CID Revenues shall be collected, applied and administered in accordance with the CID Cooperative Agreement.

Debt Service Reserve Fund. The Bonds are secured by amounts on deposit in the Debt Service Reserve Fund. The Debt Service Reserve Fund for the Bonds will be funded initially from proceeds of the Bonds in the amount of \$901,274.31. Amounts in the Debt Service Reserve Fund will be available to pay principal of and interest on the Bonds, in the event that there are not sufficient moneys available in the Debt Service Reserve Fund for the Bonds for such purpose, and to make the final payment of principal of and interest on the Bonds. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Private Placement Memorandum

No Mortgage or General Obligation. The Bonds are not secured by a mortgage on any property in the Redevelopment Area. However, under the TIF Act, Payments in Lieu of Taxes that are due and owing constitute a lien against the real estate in the Redevelopment Area from which they are derived. Upon a default in the payment of any Payments in Lieu of Taxes on real property in the Redevelopment Area, the lien for such unpaid Payments in Lieu of Taxes may be enforced as provided by Missouri law. See the caption “**TAX INCREMENT FINANCING IN MISSOURI - Assessment and Collection of Ad Valorem Taxes**” in this Private Placement Memorandum.

THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Prospective investors are advised that none of the property comprising the Redevelopment Area, the District or the Redevelopment Project is pledged as security for the Bonds and neither the Developer nor any affiliate of the Developer or any partner, shareholder, officer, director, agent or representative of such entities, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Private Placement Memorandum.

No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture or the Redevelopment Agreement, contained, against any past, present or future elected official of the City or the District or any trustee, officer, official, employee or agent of the City or the District, nor shall such recourse be had against the Developer, its principals, shareholders, members, affiliates, revenues or assets, as such, either directly or through the City or any successor thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise.

Restrictions on Transfers of the Bonds

The Bonds contain certain restrictions on transferability. Prospective investors should review the captions “**THE BONDS – Registration, Transfer and Exchange**” and “**NOTICE TO INVESTORS**” in this Private Placement Memorandum.

Investment Considerations and Risks

Purchase of the Bonds will constitute an investment subject to significant risks, including the risk of nonpayment of principal and interest and the loss of all or part of the investment. There can be no assurance that the Redevelopment Project will be developed further nor that the Net Revenues, including any CID Revenues, generated within the Redevelopment Project Area B or the District, as applicable, will be sufficient to pay the principal of, premium, if any, and interest on the Bonds and to avoid a default on such Bonds in the future. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, confer with their own legal and financial advisors and be able to bear the risk of loss of their

investment in the Bonds before considering a purchase of the Bonds. See the caption “**INVESTMENT CONSIDERATIONS AND RISKS**” in this Private Placement Memorandum.

Revenue Study

PGAV Planners, St. Louis, Missouri (the “**Consultant**”), has produced a report on the revenue generation potential of Redevelopment Project Area B based solely on the retail and office establishments that have committed to operate a business within the Redevelopment Project Area B (see the caption “**WHITE OAK MARKETPLACE PROJECT**” in this Private Placement Memorandum). Such report, entitled “White Oak Redevelopment Project Area B Bond Revenue Study, White Oak Plaza Shopping Center Project” dated December 6, 2016 (the “**Revenue Study**”), is included in this Private Placement Memorandum as **Appendix D**. The Revenue Study includes a forecast of retail sales of the White Oak Marketplace Project and a forecast of real property tax collections for the White Oak Marketplace Project based on projected development activity within the Redevelopment Project Area B.

The purpose of the Revenue Study is to provide a projection of the potential tax revenues available from the Redevelopment Project Area B pursuant to the TIF Act and the CID Act to support the payment of debt service on the Bonds.

The Consultant has not been engaged to perform, and has not performed, since the date of its report, any update of the projections contained in the Revenue Study.

The financial forecast contained in the Revenue Study is based on certain assumptions, estimates and opinions as discussed in the Revenue Study. Certain of the assumptions, estimates and opinions contained in the Revenue Study may not materialize as unforeseen events and circumstances may occur subsequent to the date of the Revenue Study. Therefore, there usually will be differences between the forecasted and actual results and those differences may be material. There is no assurance that actual events will correspond with the Revenue Study or the assumptions, estimates or opinions on which they are based. The Revenue Study should be read in its entirety by prospective investors for a full understanding of the forecasted statements, assumptions and qualifications contained therein.

See the caption “**REVENUE STUDY**” in this Private Placement Memorandum and **Appendix D** to this Private Placement Memorandum.

Continuing Disclosure

The City and the Developer will enter into a continuing disclosure agreement to provide certain ongoing disclosure information to the Bondowners. See the caption “**CONTINUING DISCLOSURE**” in this Private Placement Memorandum and **Appendix C** to this Private Placement Memorandum for a description of such undertaking.

Definitions, Financing Documents and Additional Information

The form of the Indenture, including the definitions of certain words and terms used in this Private Placement Memorandum, is attached to this Private Placement Memorandum as **Appendix A-1**. The form of the Financing Agreement is attached to this Private Placement Memorandum as **Appendix A-2**. All references herein to such documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be obtained from UMB Bank, N.A., 1010 Grand Boulevard, Kansas City, Missouri 64106, and will be provided to any prospective purchaser requesting the same upon payment of the cost of complying with such request. **Appendix B** contains the proposed form of opinion which is anticipated to be rendered by Bond Counsel at the time of delivery of the Bonds. **Appendix C** contains the form of the Continuing Disclosure Agreement. **Appendix D** contains the Revenue Study.

THE CITY

The Bonds are not a general obligation of the City and are payable solely from the revenues described herein. The following information regarding the City is provided as general background information only.

General

Situated near the center of Jackson County approximately 19 miles east of downtown Kansas City, Missouri, the City encompasses approximately 22 square miles located along U.S. Highway 70 and bordered on the north and west by Kansas City, Missouri. The City's estimated population in 2015 was 52,401.

The City was originally incorporated in 1880 and became a fourth-class city in 1904. Citizens of the City voted to make the City a home rule charter city in 1994. It is a home rule charter city and political subdivision organized and existing under the constitution and laws of the State of Missouri. The City is governed by a Mayor/City Council/City Administrator form of government and exercises powers of municipal government specifically granted by the State of Missouri. The City Council is composed of six members, two elected from each of the City's three geographic districts, to serve staggered three-year terms without restriction as to reelection. The Mayor is elected at-large for a four-year term. The City Council is responsible for all policy and legislative decisions. The City Council passes ordinances, adopts the budget, appoints committees and hires the City Administrator.

The City provides a full range of municipal services including police protection; water and sanitary sewerage utilities; planning, construction and maintenance of highways, streets and infrastructure; community planning and development; planning, maintenance and construction of parks facilities; recreational activities; youth outreach programs; "50-Plus" social services; and general administrative oversight.

The Mayor and the current members of the City Council are:

<u>Name</u>	<u>Office</u>	<u>First Elected</u>	<u>Term Expires</u>
Carson Ross	Mayor	2008	2016
Dale Carter	Councilman District 1	2008	2016
Jeff Quibell	Councilman District 1	2010	2016
Kent Edmondson	Councilman District 2	2008	2017
Chris Lievsay	Councilman District 2	2011	2016
Susan Culpepper	Councilwoman District 3 and Mayor Pro Tem	2013	2016
Ronald Fowler	Councilman District 3	1992	2017

The Mayor and City Council appoint a City Administrator, who acts as the chief administrative officer of the City. The current City Administrator is Eric Johnson, who has held that position since 2006. Prior to that time, he served as the Assistant City Administrator for approximately 6 ½ years. The City budget, prepared by the City Administrator and Assistant City Administrator, is reviewed and adopted by the City Council. The City Administrator is responsible for appointing all other department heads and for directing the operations of the City in accordance with policies set by the City Council.

Adam Norris is the Deputy City Administrator and Christine Cates is the Assistant City Administrator. Karen Van Winkle is the Director of Finance.

General Demographic Information

The following table sets forth general demographic statistics for the City's fiscal year ending in the indicated year:

<u>Year</u>	<u>Estimated Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2015	52,401	\$28,663	36.20	14,383	5.10%
2014	53,294	28,908	35.60	14,524	5.60
2013	53,014	28,457	33.10	14,586	6.30
2012	52,749	28,502	34.70	14,447	5.20
2011	52,575	28,996	34.80	14,174	7.80

Source: City's Comprehensive Annual Financial Report for the Year Ended September 30, 2015

Major Employers

Listed below are the major employers located in the City and the number employed by each:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Blue Springs School District	Education	1,998
St. Mary's Hospital of Blue Springs	Healthcare	545
Fike Corporation	Manufacturer of safety solutions	460
Hy-Vee	Grocery retail	460
Wal-Mart Stores, Inc.	Discount retail	355
Price Chopper	Grocery retail	335
City	Municipal government	289
Home Depot	Hardware retail	147
Target	Discount retail	135
Texas Roadhouse	Restaurant	130

Source: City's Comprehensive Annual Financial Report for the Year Ended September 30, 2015

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect to the Bonds in the Indenture for the detailed terms and provisions thereof.

General

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly the TIF Act. The Bonds will be issuable as fully registered bonds, without coupons, in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds ("**Authorized Denominations**"). The Bonds will be dated as of the date of initial issuance and delivery thereof.

The Bonds shall bear interest at the rate set forth on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on May 1 and November 1 in each year, beginning on May 1, 2017.

Method and Placement of Payment on the Bonds

The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. Payment of the principal of or interest on any Bond shall be made (i) by check or draft of the Trustee mailed to the Person in whose name such Bond is registered on the Register as of the commencement of business of the Trustee on the Record Date for such Payment Date, or (ii) in the case of a principal or interest payment to the Securities Depository or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice delivered to the Trustee not less than 5 days prior to the Record Date from and signed by such Owner containing electronic transfer instructions including the name of the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Owner wishes to have such transfer directed.

Payment of principal of, premium, if any, and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., by the Trustee. See **Appendix E** to this Private Placement Memorandum. If the Bonds are not in a book-entry-only system, payment of principal of, premium, if any, and interest on the Bonds will be made as otherwise described in this Private Placement Memorandum and the Indenture.

Registration, Transfer and Exchange

Any Bond may be transferred only upon the Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new fully registered Bond or Bonds, registered in the name of the transferee, of the same series and maturity and in any Authorized Denomination authorized by the Indenture. **The Bonds may only be purchased by or transferred to Approved Investors. No such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner has delivered to the City and the Trustee written notice thereof that discloses the name and address of the purchaser or transferee and such assignment, transfer or conveyance shall be made only upon receipt by the City and the Trustee of a letter in substantially the form attached as Exhibit E to the Indenture executed by the proposed purchaser or transferee.**

“**Approved Investors**” means, (a) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (ii) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

Any Bond, upon surrender thereof at the corporate trust office of the Trustee or such other payment office as the Trustee shall designate, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for Bonds of the same series and maturity, of any Authorized Denomination authorized by the Indenture, bearing interest at the same rate, and registered in the name of the Owner.

In all cases in which Bonds are exchanged or transferred under the Indenture, the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the City. In the event

any registered owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such registered owner hereunder or under the Bonds.

At reasonable times and under reasonable regulations established by the Trustee, the Register may be inspected and copied by the City or the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

The Person in whose name any Bond is registered on the Register shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Redemption

Optional Redemption. The Bonds are subject to optional redemption by the City in whole or in part at any time on or after May 1, 2027, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Special Mandatory Redemption.

(1) The Bonds maturing May 1, 2040 are subject to special mandatory redemption by the City in order of maturity on each May 1 commencing May 1, 2018, at the redemption price of 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in an amount equal to the amount which is on deposit in the Redemption Account of the Debt Service Fund 40 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day).

(2) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the applicable account of the Debt Service Fund (and, with respect to the last series of Bonds Outstanding, the Debt Service Reserve Fund) are sufficient to redeem all of the Bonds of the applicable series at a redemption price of 100% of such Bonds Outstanding, together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing May 1, 2027 (the “**Term Bonds**”) will be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements set forth below at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The Trustee shall redeem on May 1 in each year, the following principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2019	\$ 75,000
2020	90,000
2021	115,000
2022	145,000
2023	175,000
2024	210,000
2025	240,000
2026	275,000
2027 ⁽¹⁾	310,000

⁽¹⁾ Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Trustee for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Trustee funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Trustee shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date that, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements set forth above) and canceled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligations set forth above. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Trustee a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment and any Term Bonds to be credited pursuant to (3) above.

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be optionally redeemed and paid prior to maturity, such Bonds or portions of Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee from such maturities and in such amounts as the City may determine, and Bonds of less than a full maturity shall be selected by the Trustee in Authorized Denominations by lot or in such other equitable manner as it may determine.

In the case of a partial redemption of Bonds when Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate Bond of the denomination of the minimum Authorized Denomination. If one or more, but not all, of the minimum

Authorized Denomination units of principal amount represented by any Bond are selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination unit or units, the Owner of such Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (i) for payment of the redemption price (including the interest to the date fixed for redemption) of the minimum Authorized Denomination unit or units of principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond of a denomination greater than minimum Authorized Denomination fails to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination unit or units of principal amount called for redemption (and to that extent only) and shall cease to accrue interest on the principal amount so called for redemption.

Notice of Redemption. In the case of Bonds called for optional redemption under the Bond Indenture, the Trustee shall call Bonds for redemption and payment as provided in the Bond Indenture and shall give notice of redemption as provided in the Bond Indenture upon receipt by the Trustee at least 40 days prior to the redemption date of a written request of the City. The preceding notice provisions shall not apply in the case of any mandatory redemption of Bonds under the Bond Indenture, and the Trustee shall call Bonds for redemption and shall give notice of redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City.

Unless waived by any Owner of Bonds to be redeemed, official notice of any redemption of any Bond shall be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Register; provided, however, that failure to give such notice by mailing as aforesaid to any Owner or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds.

All official notices of redemption shall be dated and shall state: (1) the redemption date, (2) the redemption price, (3) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed (such identification to include interest rates, maturities, CUSIP numbers and such additional information as the Trustee may reasonably determine), (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the corporate trust office of the Trustee or such other payment office as the Trustee may designate.

In addition to the foregoing notice, the Trustee shall also comply with any mandatory requirements or guidelines published by the Securities and Exchange Commission relating to providing notices of redemption. The failure of the Trustee to comply with any such requirements shall not affect or invalidate the redemption of said Bonds.

So long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the redemption notices specified in the Indenture only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Effect of Call for Redemption. On or prior to the date fixed for redemption, moneys or Government Securities shall be deposited with the Trustee as provided in the Bond Indenture to pay the Bonds called for redemption and accrued interest thereon to the redemption date. Upon the happening of the above conditions, and notice having been given as provided in the Bond Indenture, the Bonds or the portions of the

principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Bond Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations; Sources of Payment

The Bonds and the interest thereon shall be special, limited obligations of the City payable from and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Bondowners, as provided in the Indenture.

The “**Trust Estate**” for the Bonds consists of:

(a) All Net Revenues derived by the City under and pursuant to and subject to the provisions of the Redevelopment Agreement or otherwise (excluding the City’s rights to payment of its fees and expenses and to be indemnified in certain events) and the Pledged Revenues; and

(b) All moneys and securities from time to time held by the Trustee under the terms of this Indenture (except payments required to be made to meet the requirements of Section 148(f) of the Code, as defined below, whether or not held in the Rebate Fund, as defined in the Indenture) and any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the City or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the District, the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the District, the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the District, the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. None of the City, the District or the State shall, in any event, be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the City. No breach by the City of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the City, the District, the State or any charge upon their respective general credit or against their respective taxing powers.

Net Revenues

Pursuant to the Indenture, “**Net Revenues**” means (a) all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount of the PILOTS Account of the Special Allocation Fund related to Redevelopment Project Area B but excluding the Fire District PILOTS Reimbursement, the School District PILOTS Reimbursement and the City Administrative Fee determined based on the amount of Payments in Lieu of Taxes, (b) subject to annual appropriation by the City, all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount account of the Economic Activity Tax Account of the Special Allocation Fund related to Redevelopment Project Area B, but excluding the Fire District EATs Reimbursement and the City Administrative Fee determined based on the amount of Economic Activity Tax Revenues, (c) subject to annual appropriation by the District, all CID Revenues (including investment earnings thereon) but excluding the City Administrative

Fee determined based on the amount of CID Revenues, paid by or on behalf of the District to the Trustee as provided in the Indenture, and (d) subject to annual appropriation by the City, the City's Supplemental TIF Revenue, paid by the City to the Trustee as provided in the Indenture. Net Revenues do not include (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer and (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

The following definitions set forth in the Indenture are used in determining Net Revenues:

“CID Revenues” means the revenues received by the District from the 1% sales tax imposed by the District within its boundaries and within the Redevelopment Project exclusive of (a) the District's administrative costs and expenses not to exceed \$15,000 per annum, (b) Economic Activity Tax Revenues derived from the CID sales tax, and (c) the administrative fee retained by the City in the amount of 1% of all revenues received by the District from such sales tax imposed by the District.

“City Administrative Fee” means (1) for administrative costs and expenses of the City relating to the preparation, development and implementation of the Redevelopment Plan, an amount retained by the City equal to 1.0% of the Payments in Lieu of Taxes and Economic Activity Tax Revenues collected and deposited into the Special Allocation Fund plus 1% of the CID Revenues, plus (2) an amount for additional documented professional service costs and other expenses incurred by the City that are found by the City to be reasonable and necessary in connection with the Redevelopment Plan, the Redevelopment Agreement or otherwise related to the Redevelopment Project (not to exceed the amount of \$10,000 per Fiscal Year).

“City's Supplemental TIF Revenue” means fifty percent of the total additional revenue from City-imposed general 1% sales taxes which are generated by economic activities within the Redevelopment Project over the amount of such City-imposed general 1% sales tax revenue generated by economic activities within the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, subject to annual appropriation by the City. If a retail establishment relocates within one year from one facility within Jackson County, Missouri to another facility within Jackson County, Missouri within the Redevelopment Project, then for purposes of the City's Supplemental TIF Revenue calculation, the City's Supplemental TIF Revenue generated by the retail establishment shall equal fifty percent of the total additional revenue from the above-described sales tax revenue generated by the retail establishment in the calendar year prior to its relocation to the Redevelopment Project.

“Economic Activity Tax Revenues” means 50% of the total additional revenue from taxes imposed by the City or other taxing districts (as that term is defined in Section 99.805 of the TIF Act) which are generated by economic activities within the Redevelopment Project over the amount of such taxes generated by economic activities within the Redevelopment Project in the calendar year ending December 31, 2013, but excluding therefrom any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo., licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, personal property taxes, and taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo., and the sales tax imposed by Jackson County, Missouri to fund improvements to the stadium sports complex, and further excluding the Fire District EAT's Reimbursement. If a retail establishment relocates within one year from one facility within Jackson County, Missouri to another facility within the Redevelopment Project, then for purposes of the Economic Activity Tax Revenues calculation, the Economic Activity Tax Revenues generated by the retail establishment shall equal fifty percent of the total additional revenue from economic activity taxes generated by the retail establishment over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the Redevelopment Project.

“Fire District Agreement” means the Fire Protection District Agreement between the City and the Fire District dated as of December 1, 2016, as amended.

“Fire District EATs Reimbursement” means 50% of the Economic Activity Tax Revenues generated by sales taxes imposed by the Fire District, which amount is retained by the Fire District pursuant to the Fire District Agreement.

“Fire District PILOTS Reimbursement” means 50% of the Payments in Lieu of Taxes received by the City that are attributable to ad valorem taxes imposed by the Central Jackson County Fire Protection District of Jackson County, Missouri (the **“Fire District”**), which amount is paid to the Fire District by the City pursuant to the Fire District Agreement.

“Payments in Lieu of Taxes” means those payments in lieu of taxes (as defined in Sections 99.805(10) and 99.845 of the TIF Act), if any, attributable to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the Redevelopment Project over and above the certified total initial equalized assessed valuation of the real property in the Redevelopment Project, as provided for by Section 99.845 of the TIF Act.

“School District PILOTS Reimbursement” means 10% of the Payments in Lieu of Taxes received by the City that are attributable to ad valorem taxes imposed by the School District to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the Redevelopment Project over and above the certified total initial equalized assessed valuation of the real property in the Redevelopment Project, as provided for by Section 99.845 of the TIF Act, to be paid to the School District as reimbursement for capital costs in accordance with the Redevelopment Agreement.

Indenture Funds and Account

Deposit of Funds to Revenue Fund.

The Special Allocation Fund held by the City under the TIF Act is ratified and confirmed pursuant to the Indenture. Moneys in the Special Allocation Fund shall be paid by the City on the tenth (10th) day of each month (or the next Business Day thereafter if the tenth (10th) day is not a Business Day) to the Trustee, with (A) all Net Revenues as of the last day of the preceding month consisting of Payments in Lieu of Taxes (excluding amounts held for the Fire District PILOTS Reimbursement, the School District PILOTS Reimbursement end amounts retained as the City Administrative Fee) accompanied by written notice identifying the Net Revenues as Payments in Lieu of Taxes and directing the Trustee that such amounts are to be deposited into the PILOTS Account of the Revenue Fund, (B) subject to annual appropriation by the City, all Net Revenues as of the last day of the preceding month consisting of Economic Activity Tax Revenues (excluding the Fire District EATS Reimbursement and amounts retained as the City Administrative Fee) accompanied by written notice identifying the Net Revenues as Economic Activity Tax Revenues and directing the Trustee that such amounts are to be deposited into the EATS Account of the Revenue Fund and (C), subject to annual appropriation by the City, all Net Revenues as of the last date of the preceding month consisting of City’s Supplemental TIF Revenue accompanied by written notice identifying the Net Revenues as Supplemental TIF Revenue and directing the Trustee that such amounts are to be deposited into the City’s Supplemental TIF Revenue Account. The Trustee shall notify the City and the Placement Agent if the Trustee has not received such Net Revenues on or before the 12th calendar day of each month (or the next Business Day thereafter if the 12th day is not a Business Day).

Any CID Revenues collected by or on behalf of the District, and transferred to the Trustee by the District or the City pursuant to the CID Agreement and as provided in the Indenture on or before the tenth (10th) day of each month (or the next Business Day thereafter if the tenth (10th) day is not a Business Day) and accompanied by written notice identifying such amounts as CID Revenues shall be deposited into the CID Account in the Revenue Fund. The Trustee shall notify the City, the District and the Placement Agent if the Trustee has not received such Net Revenues or

before the 12th calendar day of each month (or the next Business Day thereafter if the 12th day is not a Business Day).

Application of Moneys in the Revenue Fund. Moneys in the Revenue Fund on the 40th day prior to each Payment Date (or at any time in the event of rebate payable to the United States of America) shall be applied by the Trustee to the extent necessary for the purposes and in the amounts as follows, drawing *first* on the PILOTS Account in the Revenue Fund, *second* on the EATS Account in the Revenue Fund, *third* on the City's Supplemental TIF Revenue Account in the Revenue Fund and *fourth* on the CID Account in the Revenue Fund:

First, for transfer to the Rebate Fund when necessary, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the City in accordance with the Arbitrage Instructions and an amount equal to all fees, charges, advances and expenses related to the calculations necessary to determine the amount of rebate, if any, that may be due and payable;

Second, for payment to the Trustee or any Paying Agent, an amount sufficient for payment of any fees and expenses which are due and owing to the Trustee or any Paying Agent (except as otherwise provided herein, not to exceed \$4,500 per Fiscal Year), upon approval by the City of an invoice received for such amounts;

Third, for payment to the City of an amount sufficient for payment of any fees and expenses that may be owing pursuant to the Indenture to collect Net Revenues and to enforce the Financing Documents, upon delivery to the Trustee of a written request (which shall be accompanied by an invoice) for such amounts;

Fourth, for transfer to the Bond Payment Account in the Debt Service Fund (taking into account moneys on deposit in the Capitalized Interest Account of the Project Fund) an amount sufficient to pay the interest on the Bonds on the next two succeeding Payment Dates;

Fifth, for transfer to the Bond Payment Account in the Debt Service Fund an amount sufficient to pay the principal of and premium, if any, due on the Bonds by their terms on the next two succeeding Payment Dates;

Sixth, for deposit to the Debt Service Reserve Fund until the Debt Service Reserve Fund has been funded or restored in an amount equal to the Debt Service Reserve Requirement;

Seventh, for transfer to the Redemption Account of the Debt Service Fund, all remaining funds to redeem Bonds pursuant to the Special Mandatory Redemption provisions contained in Section 302(b) of the Indenture (see the caption "**THE BONDS – Redemption – Special Mandatory Redemption**" in this Private Placement Memorandum) in Authorized Denominations which shall be applied to the payment of the principal of and accrued interest on all Bonds which are subject to redemption on the next succeeding Payment Date.

If necessary, on the Business Day prior to each Payment Date, drawing *first* on the PILOTS Account in the Revenue Fund, *second* on the EATS Account in the Revenue Fund, *third* on the City's Supplemental TIF Revenue Account in the Revenue Fund and *fourth* on the CID Account in the Revenue Fund, the Trustee shall transfer to the Bond Payment Account in the Debt Service Fund an amount sufficient to pay the principal of or interest on the Bonds due on the next Payment Date.

For purposes of the transfers set forth above, the CID Revenues allocable to pay the Debt Service Requirements for the Bonds shall not exceed 20% of the Debt Service Requirements for the Bonds for each of the calendar years 2019 through 2037, and shall not exceed 24% of the

cumulative Debt Service Requirements for the Bonds from the issuance date of the Bonds until the final maturity of the Bonds (or such other percentages as provided in writing by the City to the Trustee permitted by law based on amounts paid from the Project Fund and eligible for payment from the CID Revenues).

Project Fund.

Project Account. Moneys in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt of a written request of the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached to the Indenture and otherwise substantially in such form, to pay, or reimburse the Developer for payment of, the costs of the Project as described in the Indenture. Any moneys remaining on deposit in the Project Account in the Project Fund when the portion of the Project financed with the proceeds of the Bonds is completed, as stated in a certificate delivered by the Authorized City Representative to the Trustee, shall immediately be transferred by the Trustee to the Debt Service Fund.

Costs of Issuance Account. Moneys in the Cost of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee, upon receipt of a written request of the City signed by the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached to the Indenture and otherwise substantially in such form, for the sole purpose of paying costs of issuance of the Bonds. Any moneys remaining in the Cost of Issuance Account of the Project Fund on April 1, 2017, shall be deposited, without further authorization, into the Project Account in the Debt Service Fund.

Capitalized Interest Account. Moneys in the Capitalized Interest Account of the Project Fund shall be disbursed, from time to time by the Trustee without any further direction from the City, on each Payment Date to pay interest on the Bonds.

Debt Service Fund. Except as otherwise provided in the Indenture, all amounts paid and credited to the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same mature and become due or upon the redemption thereof.

Debt Service Reserve Fund. Except as otherwise provided in the Indenture, moneys in the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Bonds if moneys otherwise available for such purpose are insufficient to pay the same as they become due and payable. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid. The amount on deposit in the Debt Service Reserve Fund shall be valued by the Trustee 45 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) and the Trustee shall give immediate written notice to the City if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be valued at their fair market value on the date of valuation. Moneys in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement shall be deposited by the Trustee without further authorization in the Debt Service Fund.

“**Debt Service Reserve Requirement**” means the sum of \$901,274.31 to be deposited into the Debt Service Reserve Fund for the Bonds, which is a sum, at the date of original issuance and delivery of the Bonds, not greater than the least of (A) 10% of the original aggregate principal amount of the Bonds, (B) the maximum annual Debt Service Requirements on the Bonds in any future fiscal year following such date, or (C) 125% of the average future annual Debt Service Requirements on the Bonds.

Rebate Fund. There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Rebate Fund and any income earned thereon shall be held in trust, to the extent required to pay arbitrage rebate to the federal government of the United States of America, and neither the City, the District nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Indenture and by the Arbitrage Instructions.

TAX INCREMENT FINANCING IN MISSOURI

Overview

Tax increment financing is an economic development tool whereby cities and counties encourage the redevelopment of designated areas. The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase and, if the redevelopment project includes establishments that pay sales and other economic activity taxes, the amounts of economic activity taxes generated by the redevelopment area should also increase.

When tax increment financing is adopted for a redevelopment area, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to the construction of improvements. The owners of the property continue to pay property taxes at the base level. As the property is improved, the assessed value of real property in the redevelopment area should increase above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a “tax increment” is produced. The annual tax increments (referred to as “payments in lieu of taxes” or “PILOTs”) are paid by the owners of property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the city or county and deposited in the PILOTs account of a “special allocation fund.” Similarly, an amount (referred to as “economic activity tax revenues”) attributable to 50% of the increase in tax revenues generated by economic activities within the redevelopment area (including sales and utilities taxes, but excluding, among other things, personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or sales taxes other than payments in lieu of taxes) are transferred by the collecting agency to the treasurer of the city or county and deposited in an economic activity tax account of such special allocation fund. All or a portion of the moneys in the special allocation fund are used to pay redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The TIF Act

The TIF Act was enacted in 1982 and has been amended several times in subsequent years. The constitutional validity of the TIF Act (prior to the amendments) was upheld by the Missouri Supreme Court in *Tax Increment Financing Commission of Kansas City, Missouri v. J.E. Dunn Construction Co., Inc.*, 781 S.W.2d 70 (Mo. 1989). The TIF Act authorizes cities and counties to provide long-term financing for redevelopment projects in “blighted,” “conservation” and “economic development” areas (as defined in the TIF Act) through the issuance of bonds and other obligations. Prior to the amendments to the TIF Act, such obligations were payable solely from PILOTs derived from the redevelopment area. As a result of amendments to the TIF Act, such obligations are also payable from economic activity tax revenues derived from the redevelopment area, except those economic activity tax revenues expressly excluded in the TIF Act.

The validity of certain portions of amendments to the TIF Act relating to the capture of economic activity tax revenues was upheld by the Missouri Supreme Court in *County of Jefferson v. QuikTrip Corporation*, 912 S.W.2d 487 (Mo. 1995).

Amendments to the TIF Act have been proposed in each legislative session during recent years. In connection with proposed amendments to the TIF Act that may be introduced in future legislative sessions, it is not possible to predict the nature of such proposed amendments or whether such proposed amendments to the TIF Act will become law during future sessions of the General Assembly.

Although PILOTs may be irrevocably pledged to the repayment of bonds, economic activity tax revenues are subject to annual appropriation by the governing body of the city or county, and there is no obligation on the part of the governing body to appropriate economic activity tax revenues in any year. See the caption “**INVESTMENT CONSIDERATIONS AND RISKS – Non-Appropriation**” in this Private Placement Memorandum.

Assessment and Collection of Ad Valorem Taxes

General. The City and the Redevelopment Project Area B are located within Jackson County, Missouri (the “**County**”). On or before September 1 in each year, each political subdivision located within the County which imposes ad valorem taxes (the “**Taxing Districts**”) is required to estimate the amount of taxes that will be required during the next succeeding fiscal year to pay interest falling due on general obligation bonds issued and the principal of bonds maturing in such year and the costs of operation and maintenance plus such amounts as shall be required to cover emergencies and anticipated tax delinquencies. The Taxing Districts certify the amount of such taxes which shall be levied, assessed and collected on all taxable tangible property in the County to the County Assessor by September 1.

All taxes levied must be based upon the assessed valuation of land and other taxable tangible property in the County as shall be determined by the records of the County Assessor and must be collected and remitted to the Taxing Districts. All the laws, rights and remedies provided by the laws of the State for the collection of State, county, city, school and other ad valorem taxes are applicable to the collection of taxes authorized to be collected in the redevelopment area.

The Missouri Constitution requires uniformity in taxation of real property by directing such property to be subclassed as agricultural, residential or commercial and permitting different assessment ratios for each subclass. Agricultural real property is currently assessed at 12% of true value in money, residential property is currently assessed at 19% of true value in money and commercial, industrial and all other real property is assessed at 32% of true value in money. The phrase “true value in money” has been held to mean “fair market value” except with respect to agricultural property.

Real property within the County is assessed by the County Assessor. The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The Board of Equalization has the authority to question and determine the proper values of real property and then adjust and equalize individual properties appearing on the tax rolls. The County Collector collects taxes for all Taxing Districts within the County limits. The County Collector and the County Assessor deduct a commission for their services. After such collections and deductions of commission, taxes are distributed according to the Taxing District’s pro rata share.

Taxes are levied on all taxable property based on the equalized assessed value thereof determined as of January 1 in each year. Under Missouri law, each property must be reassessed every two years (in odd-numbered years). The County Collector prepares the tax bills and mails them to each taxpayer in September. Payment is due by December 31, after which taxes become delinquent and accrue a penalty of one percent per month. In the event of an increase in the assessed value of a property, notice of such increase must be given to the owner of the affected property, which notice is generally given in March.

Appeal of Assessment. No owner of any property located within the Redevelopment Project Area B is restricted from appealing the determination of the assessed value of any such property. Any appeals, however, will be required to be conducted in the manner as summarized below under current law.

State statutes establish various mechanisms for a property owner to appeal the assessment of a tax on its property. Typically, there are four issues that can be raised in property tax appeals: overvaluation, uniformity, misclassification and exemption. Overvaluation appeals are the most common appeals presented by taxpayers. An overvaluation appeal requires the taxpayer to prove that the true value in money of the property is less than that determined by the assessor. Uniformity appeals are based on the assertion that other property in the same class and county as the subject property is assessed at a lower percentage of value than the subject property. A misclassification appeal is based on an assertion that assessing authorities have improperly subclassified a property. Exemption appeals are based on claims that the property in question is exempt from taxation.

Overvaluation appeals generally must be made administratively, first to the Board of Equalization and then to the State Tax Commission, within prescribed time periods following notice of an increase in assessment. Appeals to the Board of Equalization must be filed with the County Clerk as Secretary of the Board of Equalization on or before the third Monday in June of each year. Appeals to the State Tax Commission must be filed by the later of December 31 or 30 days after the date of the final decision of the Board of Equalization. Where valuation is not an issue, appeals must be taken directly to the State circuit court rather than the State Tax Commission. If an appeal is pending on December 31, the due date for the payment of taxes, State statutes provide a procedure for the payment of taxes under protest. If taxes are paid but not under protest, the taxpayer cannot recover the amount paid unless the taxes have been mistakenly or erroneously paid. Application for a refund of mistakenly or erroneously paid taxes must be made within one year after the tax in dispute was paid. Typically, only that portion of the taxes being disputed is identified as being paid under protest, unless a claim of exemption is being asserted. The portion of the tax paid under protest is required to be held in an interest bearing account. Unless an appeal before the Board of Equalization or State Tax Commission is pending, suit must be brought by the taxpayer to resolve the dispute within 90 days, or the escrowed funds will be released to the Collector of Revenue and distributed to the Taxing Districts.

Reassessment and Tax Rate Rollback. As previously stated, a general reassessment of all property in the State is required to be conducted every two years. When, as a result of such reassessment, the assessed valuation within a Taxing District increases by more than an allowable percentage, the Taxing District is required to roll back the rate of tax within the Taxing District so as to produce substantially the same amount of tax revenue as was produced in the previous year increased by an amount called a “preceding valuation factor.” A “preceding valuation factor” is a percentage increase or decrease based on the average annual percentage changes in total assessed valuation of the County over the previous three or five years, whichever is greater, adjusted to eliminate the effect of boundary changes, changes from State to County assessed property, general reassessment and State ordered changes.

The Hancock Amendment. An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on September 4, 1980, and went into effect with the 1981-82 fiscal year. The amendment (Article X, Sections 16 through 24 of the Missouri Constitution, and popularly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes that shall be imposed in any fiscal year, and provides that the limit shall not be exceeded without voter approval. Provisions are included in the Hancock Amendment for rolling back tax rates to produce an amount of revenues equal to that of the previous year if the definition of the tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation in the initial year of new construction. The limitation on local governmental units also does not apply to taxes imposed for the payment of principal of, premium, if any, and interest on bonds approved by the requisite percentage of voters.

Tax Delinquencies. Taxes and payments in lieu of taxes due upon any real estate within the Redevelopment Project Area B remaining unpaid on the first day of January, annually, are delinquent, and the County Collector is empowered to enforce the lien of the taxing jurisdictions thereon. Whenever the County Collector is unable to collect any taxes on the tax roll, having diligently endeavored and used all lawful means to do so, he/she is required to compile lists of delinquent tax bills collectible by him. All lands and lots on which taxes are delinquent and unpaid are subject to suit to collect delinquent tax bills or suit for foreclosure of the tax liens. Upon receiving a judgment, the sheriff must advertise the sale and the land, fixing the date of sale within 30 days after the first publication of the notice. Delinquent taxes, with penalty, interest and costs, may be paid to the County Collector at any time before the property is sold therefor. No action for recovery of delinquent taxes shall be valid unless initial proceedings therefor are commenced within five years after delinquency of such taxes.

Economic Activity Tax Revenues

Economic Activity Taxes include 50% of the additional tax revenues generated by economic activities within the Redevelopment Project Area B that over the amount of such taxes generated by economic activity in the calendar year prior to the activation of the redevelopment area. Pursuant to the TIF Act, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area. The Price Chopper grocery store that is expected to open within the Redevelopment Project Area B will constitute a relocated retail establishment and, therefore, the base sales of the prior location during the calendar year prior to its relocation will be excluded for purposes of determining Economic Activity Tax Revenues (see the caption “**WHITE OAK MARKETPLACE PROJECT – The Leases and Letter of Intent – Grocery Lease**” in this Private Placement Memorandum). See the discussion of the estimated base sales volume for determining Economic Activity Tax Revenues in the Revenue Study attached as **Appendix D** to this Private Placement Memorandum.

Under State law, the State imposes a sales tax at the rate of 4.225% on the purchase price of tangible personal property sold at retail, the amount paid for certain specified services, the basic rate charged for certain utility services and motor vehicles and trailers sold in the State. **No portion of the State sales tax derived from retailed activities within the Redevelopment Project Area B will be included in the Economic Activity Tax Revenues.**

The County currently imposes a sales tax of 0.375% for stadium and other capital improvements at the Harry S. Truman Sports Complex, the home of the Kansas City Chiefs and the Kansas City Royals. **No portion of the County’s stadium sales tax derived from retailed activities within the Redevelopment Area will be included in the Economic Activity Tax Revenues.**

The following chart sets forth the local sales tax rates that are expected to be included in Economic Activity Tax Revenues and, if applicable, the expiration date for such sales tax:

<u>Local Sales Tax</u>	<u>Tax Rate</u>	<u>Current Expiration Date</u>
City – General Revenue	1.000%	None
City – Transportation	0.500%	None
City – Public Safety	0.500%	None
County – General Revenue	0.500%	None
County – Drug Task Force	0.250%	March 31, 2027
Fire District ⁽¹⁾	0.500%	None
Kansas City Zoo	0.125%	None
White Oak CID ⁽²⁾	<u>1.000%</u>	March 31, 2040
Total Tax Rate	<u>4.375%</u>	

- (1) Pursuant to the terms of the Fire District Agreement, 50% of the Economic Activity Tax Revenues generated by sales taxes imposed by the Fire District is retained by the Fire District as the Fire District EAT's Reimbursement.
- (2) The CID Sales Tax is expected to go into effect on April 1, 2017 and will expire 23 years after that date. See the caption "WHITE OAK COMMUNITY IMPROVEMENT DISTRICT AND CID SALES TAX" in this Private Placement Memorandum for additional information on imposition of the CID Sales Tax and the expected expiration date.

Collection of Economic Activity Tax Revenues

Retail businesses are required to collect the sales tax from purchasers at the time of sale and pay the amounts collected to the Department of Revenue of the State with the filing of returns. The sales volume of a retail business determines the frequency of payments made to the Department of Revenue of the State. In most cases, retail businesses make monthly payments to the Department of Revenue of the State, which are due on the tenth day of each calendar month for sales taxes collected in the preceding calendar month. Retail businesses located in the City submit applications to the City for a merchant's license and an occupancy permit, and before such license and permit are awarded verification of a tax identification number from the State is made by the City. In the event of a failure by a retail business to remit sales taxes, interest and penalties, the unpaid amount may become a lien in the nature of a judgment lien against the delinquent taxpayer. In the event of overpayment by any retail business as a result of error or duplication, provision is made under State law for refunds. Pursuant to State law, taxpayers who promptly pay their sales tax are entitled to retain 2% of the amount of taxes owed.

Within 30 days of receipt of sales taxes by the Department of Revenue of the State, the Director of the Department of Revenue remits to the State Treasurer for deposit in a special trust fund for the benefit of each political subdivision entitled to a sales tax distribution the amount of such sales tax receipts less 1% of such amount which constitutes a fee paid to the State for collecting and distributing the tax. The State Treasurer then distributes moneys on deposit in the special trust fund on behalf of each such political subdivision to such political subdivision on a monthly basis.

WHITE OAK COMMUNITY IMPROVEMENT DISTRICT AND CID SALES TAX

Community Improvement District

Pursuant to the provisions of Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act") the Developer petitioned the City and the City adopted an Ordinance on November 17, 2014, creating the White Oak Community Improvement District (the "District"). The

District is a political subdivision of the State and is authorized to impose certain taxes to carry out its purposes. The District was created for the purpose of imposing a 1% sales tax (the “**CID Sales Tax**”) on retail sales occurring within the boundaries of the District, which are coterminous with the Redevelopment Area.

On August 31, 2016 the Board of Directors of the District adopted a resolution calling an election to submit a question to the qualified voters within the District (the qualified voters in this case are the landowners within the Redevelopment Project Area B) a ballot proposition to consider the CID Sales Tax. On November 15, 2016, the imposition of the CID Sales Tax was approved by a majority of such voters. On November 22, 2016, the Board of Directors for the District notified the Department of Revenue of the State of Missouri that the measure had passed. The CID Sales Tax will go into effect on April 1, 2017.

Cooperative Agreement

The City, the District and the Developer entered into a Cooperative Agreement which sets out the priority of payment of the CID Revenues, including the City serving as the District’s agent in connection the collection and disposition of revenues from the CID Sales Tax. Revenues from the CID Sales Tax received by the City shall be deposited into the CID Sales Tax Revenue Fund maintained by the City pursuant to the Cooperative Agreement. Pursuant to the TIF Act and the TIF Plan, 50% of the revenues from the CID Sales Tax levied on Redevelopment Project Area B (the “**TIF Portion of CID Revenues**”) will be captured as Economic Activity Tax Revenues and, as described below, transferred by the CID to the City for deposit into the Special Allocation Fund maintained by the City.

Pursuant to the Cooperative Agreement, the City shall make disbursements of the CID Sales Tax Revenues Fund on a monthly basis in the following order of priority (capitalized terms in the following not otherwise defined in this Private Placement Memorandum have the meaning ascribed to such terms in the Cooperative Agreement):

- (a) Pursuant to the TIF Act and the Redevelopment Plan, one-half (1/2) of the CID Sales Tax Revenue will be captured as Economic Activity Taxes and deposited by the City into the Special Allocation Fund, which amounts shall then be subject to distribution pursuant to the TIF Contract.
- (b) Payment of the City Administration Fee for administering and accounting for the CID Sales Tax in the amount of one percent (1%) of the total CID Sales Tax Revenues,
- (c) Payment of approved Operating Costs of the District as included in the District’s annual budget.
- (d) Payment of scheduled debt service on the Bonds.

PLAN OF FINANCE

Purpose of the Bonds

The City will issue the Bonds pursuant to the Indenture for the purpose of providing funds to (i) finance, refinance and reimburse Redevelopment Project Costs, (ii) fund a deposit to the debt service reserve fund with respect to the Bonds, (iii) fund capitalized interest on the Bonds, and (iv) pay the costs of issuance of the Bonds.

Sources and Uses of Bond Funds

Following is a summary of the anticipated sources and uses of funds in connection with the issuance of the Bonds:

Sources of Funds:

Principal Amount of Bonds	\$ 9,265,000.00
Total Sources of Funds	<u>\$ 9,265,000.00</u>

Uses of Funds:

Deposit to the Project Account of the Project Fund	\$ 7,516,130.98
Deposit to the Debt Service Reserve Fund	901,274.31
Deposit to the Capitalized Interest Account of the Project Fund	541,361.38
Deposit to the Costs of Issuance Account of the Project Fund	<u>306,233.33</u>
Total Uses of Funds	<u>\$ 9,265,000.00</u>

WHITE OAK MARKETPLACE PROJECT

Overview

Pursuant to the Development Agreement, the Developer agreed to design, develop and construct the Redevelopment Project in the Redevelopment Area, including the demolition of the existing improvements that were located on the site. The Redevelopment Area consists of approximately 20.5 acres. Redevelopment Project Area A, consisting of approximately 6.65 acres of the Redevelopment Area, has been transferred to the Project Area A Developer, along with the Developer’s obligations under the TIF Contact, for the future development of an approximately 180-unit senior housing complex.

Pursuant to the Redevelopment Agreement, the Developer will develop Redevelopment Project Area B to include completion of site work and infrastructure improvements, construction of an approximately 85,000 square foot grocery store, and construction of approximately 19,250 square feet of additional commercial space.

The Redevelopment Agreement established an expected scheduled of activities relating to the redevelopment of the Redevelopment Area. The following table specifies the expected schedule set forth in the Redevelopment Agreement, as well as the current status of each listed item:

<u>Project Component</u>	<u>Commencement Date</u>	<u>Completion Date</u>	<u>Status / Expected Completion Date</u>
Demolition of existing improvements within the Redevelopment Area	No later than June 1, 2015	No later than January 1, 2016	Complete

<u>Project Component</u>	<u>Commencement Date</u>	<u>Completion Date</u>	<u>Status / Expected Completion Date</u>
Site work and grading	No later than June 1, 2016	No later than June 1, 2017	Commenced approximately August 1, 2016, estimated completion spring 2017
Construction of grocery store	No later than June 1, 2017	No later than June 1, 2018	Expected completion date is July 1, 2017
Construction of additional commercial space within Redevelopment Project Area B	No later than June 1, 2018	No later than June 1, 2020	Appr. 10,600 square feet expected to be complete by July 1, 2017, balance by June 1, 2020
Construction of improvements in Redevelopment Project Area A	To be determined in accordance with market conditions	To be determined in accordance with market conditions	To be determined

The schedule, components of the Redevelopment Project, including locations within the Redevelopment Area, and the completing timing could be changed under the terms of the Redevelopment Agreement. Any such changes would require the approval of the City and the Developer and an amendment to the Redevelopment Agreement.

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In connection with the proposed development, the Developer acquired the Redevelopment Area for approximately \$2.7 million. In anticipation of commencing construction of the grocery store and other improvements, the Developer has expended or will expend approximately \$3.7 million to demolish the existing structures located in the Redevelopment Area and perform other site preparation work. The Developer's current estimated budget for the development of Redevelopment Project Area B is approximately \$21.4 million. This budget includes costs attributable to the construction of the grocery store, as well as approximately 10,600 square feet of retail space adjacent thereto. It excludes costs attributable to the construction of approximately 9,000 additional square feet of retail or commercial space to be constructed within Redevelopment Project Area B, the costs of which will be determined at the time such space is constructed. The following table sets forth the current budget for the development of Redevelopment Project Area B (excluding any furnishings, fixture and equipment for the grocery store to be provided by the Grocery Tenant):

Project Costs

Acquisition Price	\$ 2,711,728
Surveys & Plats	28,000
Environmental Reports	5,150
Title Fees and Title Insurance	15,000
Architects Fees	340,000
Engineers Fees	220,000
Third Party Engineering Inspections	17,000
City Review and Permit Fees	12,000
Appraisals (Property, Leaseholder, Etc.)	10,000
Geotechnical Surveys	4,860
Legal	160,000
Interest Carry	400,000
Interim Taxes	122,000
Loan Origination Fee	75,000
Lender's Construction Consultant	18,000
Real Estate Commissions	152,000
Site Work	3,739,720
Grocery Store – Full Build-out without FFE	822,700
Phase 1 Shops (10,600 square feet) – warm shell	1,643,000
Phase 1 – Tenant Finish Allowance	265,000
Phase 2 9,000 square feet outparcel shops – warm shell	1,395,000
Phase 2 – Tenant Finish Allowance	225,000
Tenant Buyouts	275,000
Development Fees	500,000
Miscellaneous / Contingency for Construction & Unanticipated Costs	<u>853,687</u>
Total Hard & Soft Costs	<u>\$ 21,414,145</u>

A portion of the development costs will be paid by the Developer from the proceeds of a mortgage loan (the “**Mortgage Loan**”) from UMB Bank, N.A. (the “**Mortgage Lender**”) to the Developer. The Mortgage Loan is secured by a mortgage on Redevelopment Project Area B Site and certain other collateral (the “**Mortgage Loan Collateral Assignment**”).

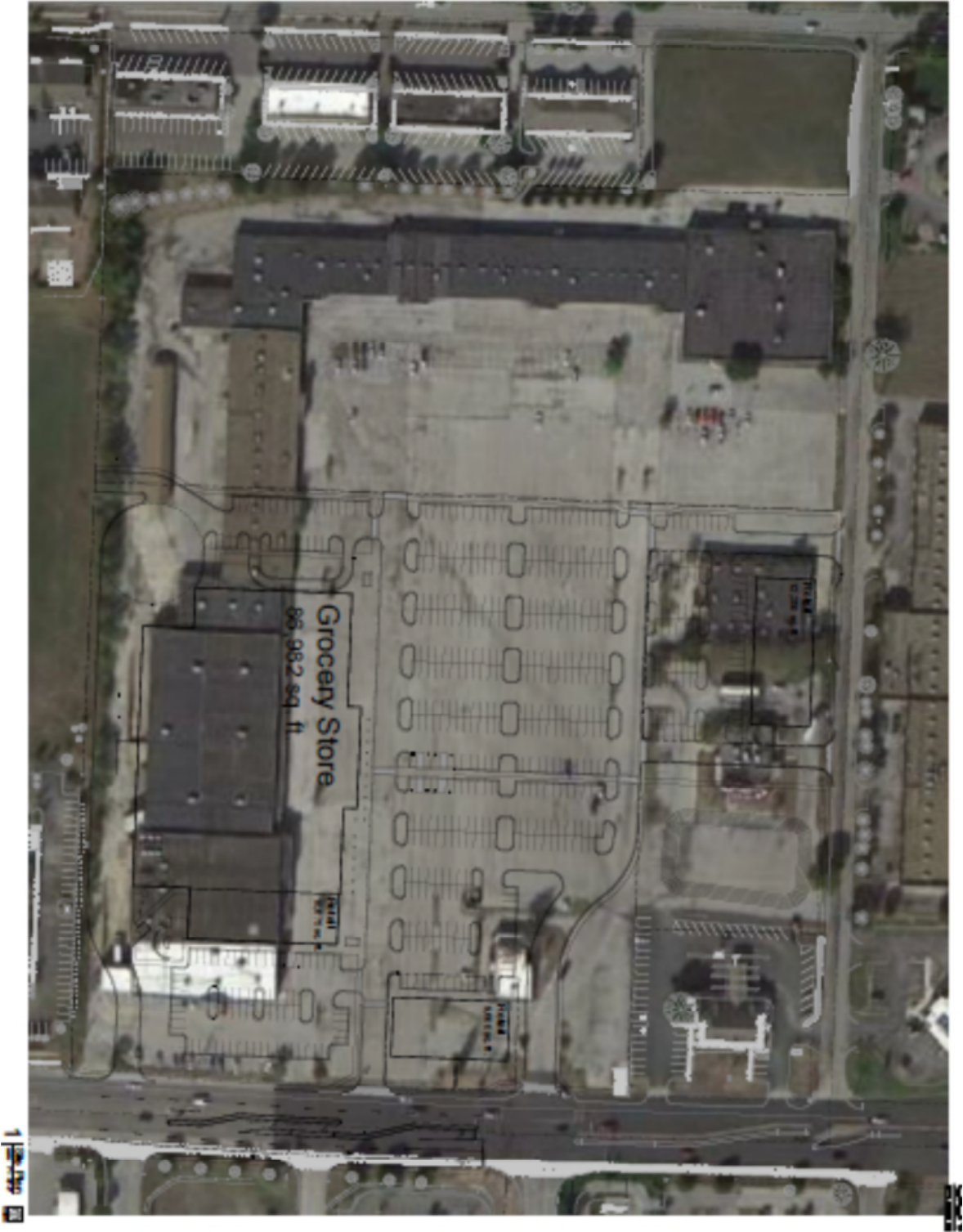
Advantage Environmental Consultants, LLC, Brentwood, Tennessee, issued a Phase I environment site assessment for the Redevelopment Area on August 15, 2016. The Phase I report indicates that the Redevelopment Area was recently occupied by four buildings and three standalone single-tenant buildings. The Phase I report contains the following statements with respect to the property:

- No Recognized Environmental Conditions (RECs) were noted at the Site.
- No off-Site environmental concerns were noted during this Phase I ESA.
- No previously resolved environmental concerns were noted during this Phase I ESA.
- Based on the findings of this assessment, no further actions are recommended.

The Developer has entered into (1) a Standard Form of Agreement Between Owner and Contractor (Document A107-2007) with Superior Bowen Asphalt Co., LLC dated as of September 1, 2016 for the purpose of performing site work within the Redevelopment Area; and (2) a Standard Form of Agreement Between Owner and Construction Manager as Constructor (Document A133-2009) with Crossland Construction Co., Inc. dated as of September 27, 2016 for the purpose of constructing the grocery store and approximate 10,608 square feet of retail currently proposed to be constructed within Redevelopment Project Area B.

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The following map depicts the site plan for Redevelopment Project Area B overlaid on an aerial map of the improvements that existed within the Redevelopment Area prior to demolition.



The Leases and Letter of Intent

The Developer has entered into the following leases or letters of intent relating to the White Oak Marketplace.

Grocery Lease. The Developer and Cosentino Enterprises, Inc., a Missouri corporation (the “**Grocery Tenant**”), have entered into a Lease Agreement, dated as of September 23, 2016 (the “**Grocery Lease**”). Pursuant to the terms of the Grocery Lease, the Developer is obligated to design and construct a building containing approximately 85,796 square foot to be used by the Grocery Tenant as a Price Chopper grocery store. The Grocery Tenant currently operates a Price Chopper grocery store less than 1 mile from this proposed location and, upon completion, the Grocery Tenant will relocate the existing grocery store to this location. In addition to the current location to be relocated to the Redevelopment Project, the Grocery Tenant owns and operates multiple additional grocery stores in the Kansas City metropolitan area.

Under the terms of the Grocery Lease, the Developer is obligated to develop plans and specifications for the construction of the grocery store within 90 days of the Developer’s receipt of the Tenant’s interior fixture plan. Following delivery of the proposed plans and specifications, the Grocery Tenant has 30 days to approve the plans and specifications and, following approval, the Developer is obligated to use its best efforts to completion construction of the grocery store within one year from the commencement of construction.

The initial term of the Grocery Lease is for 20 years from the earlier of (i) 60 days after the substantial completion of the grocery store improvements or (ii) the date on which the Grocery Tenant opens the grocery store for business. The Grocery Lease provides the Grocery Tenant with four successive 5 year extensions of the lease term which, if all are exercised, would extend the term to a total of 40 years. In addition to base rent, the Grocery Tenant is obligated to pay its pro rata share of common area maintenance and charges as well as real property taxes.

Construction of the grocery store is anticipated to be completed by approximately July 1, 2017.

Johnny’s Tavern Lease. The Developer and Johnny’s Tavern Blue Springs, Inc., a Missouri corporation (the “**Johnny’s Tenant**”), have entered into a Retail Lease dated as of October 31, 2016 (the “**Johnny’s Lease**”). Under the terms of the Johnny’s Lease, the Johnny’s Tenant will lease approximately 7,555 square feet of retail space adjacent to the grocery store for operation of a Johnny’s Tavern restaurant. Following the Developer’s completion of the building and its required improvements, the Johnny’s Tenant will have approximately 120 days to complete its tenant improvement finish and open the restaurant. The principals of the Johnny’s Tenant operate additional restaurants in the Kansas City metropolitan area.

The initial term of the Johnny’s Lease is for 10 years. The Johnny’s Lease provides the Johnny’s Tenant with two successive 5 year extensions of the lease term which, if all are exercised, would extend the term to a total of 20 years. In addition to base rent, the Johnny’s Tenant obligated to pay its pro rata share of common area maintenance and charges as well as real property taxes.

Construction of the Johnny’s location is anticipated to be completed by approximately April 1, 2017.

Pacific Dental Letter of Intent. The Developer and Pacific Dental Services (the “**Dental Tenant**”) have entered into a letter of intent with respect to the lease by the Dental Tenant of approximately 3,000 square feet for the operation of a dental services office. The letter of intent is nonbinding; however, it sets forth the intent of the parties with respect to a planned lease. If executed, the lease is expected to have an initial term of 10 years with two successive 5 year extensions which, if all are exercised, would extend the term to a total of 20 years. In addition to base rent, the Dental Tenant would be obligated to pay its pro rata share of common area maintenance and charges as well as real property taxes.

The Developer

The developer of the Redevelopment Project Area B is Development Associates, LLC, a Missouri limited liability company (the “**Developer**”). The sole Member of the Developer is White Oak Development Partners, Inc., a Missouri corporation, the President of which is William D. Cosentino, a principal of Cosentino’s Food Stores, one of the largest owners and operators of grocery stores in the Kansas City metropolitan area. Other shareholders of the Developer include Michael H. Fishman, Frank Ross, III, and Justin Kaufmann, all of whom are experienced real estate professionals.

Mr. Fishman is the president of Fishman and Company Realtors, Inc., and has been in the real estate development and commercial brokerage business for 30 years. Mr. Fishman is the principal and/or manager of approximately 40 investment real estate properties. Among Mr. Fishman’s notable projects have been Mid-America Industrial Park, Lenexa, Kansas; Deerfield Business Park, Olathe, Kansas; Southgate Retail Center (Target, Home Depot and others), Olathe, Kansas; Prescott Plaza Retail Center, Kansas City, Kansas; and a number of build to suit projects for the U.S. General Services Administration.

Mr. Ross began his career in commercial real estate in 2003 as a retail agent with Kessinger/Hunter & Company. In 2007, Mr. Ross accepted a role with LANE4 Property Group. While at LANE4, Mr. Ross played an active role in the development and acquisition of several projects including the 39Rainbow mixed-use development and the acquisition of the JC Nichols Neighborhood Centers from Highwoods Properties. Joining Fishman Commercial as a Vice President in 2012, Mr. Ross continued to focus on procuring opportunities for retailer clients and investors, such as Signet Jewelers, General Nutrition Centers, Guggenheim Partners, Blue Beacon International, Price Chopper, Enterprises Real Estate, and others. In 2015, Mr. Ross formed Cadence Commercial Real Estate along with Justin Kaufmann as a joint venture with Fishman and Company.

Mr. Kaufmann began his real estate career in 2004 with CB Richard Ellis, Inc. where he specialized in project leasing and tenant representation within the retail sector. In 2006, Mr. Kaufmann left CBRE to become one of the three founding producers of LANE4 Property Group. At LANE4, Mr. Kaufmann helped grow the company to one of the Midwest region’s premier retail brokerage firms by helping establish the brokerage platform, bringing in the company’s first listings, and contributing some of the company’s largest investment and lease transactions. In 2012, Mr. Kaufmann joined Fishman Commercial as Vice President. At Fishman he continued to represent local and national retailers in the site selection process while increasing his focus on procuring new investment and development opportunities. Mr. Kaufmann continues to source opportunities for clients such as SPIN Neapolitan Pizza, Louie’s Wine Dive, Firehouse Subs, Advance Auto Parts, Sola Salon, and Rainen Companies, Inc., as well as for Cadence Commercial Real Estate, in which he is a Principal, providing critical financial underwriting for several Cadence acquisitions such as Monticello Village and Cedar Creek Mall.

REVENUE STUDY

PGAV Planners, St. Louis, Missouri (the “**Consultant**”), has produced a report on the revenue generation potential of Redevelopment Project Area B based solely on the retail and office establishments that have committed to operate a business within the Redevelopment Project Area B (see the caption “**WHITE OAK MARKETPLACE PROJECT**” in this Private Placement Memorandum). Such report, entitled “White Oak Redevelopment Project Area B Bond Revenue Study, White Oak Plaza Shopping Center Project” dated December 6, 2016 (the “**Revenue Study**”), is included in this Private Placement Memorandum as **Appendix D**. The Revenue Study includes a forecast of retail sales of the White Oak Marketplace Project and a forecast of real property tax collections for the White Oak Marketplace Project based on projected retail activity within the Redevelopment Project Area B.

The Consultant has not been engaged to perform, and has not performed, since the date of its report, any update of the projections contained in the Revenue Study.

The financial forecast contained in the Revenue Study, including the portion of the forecast relating to the ability of existing owners and businesses to generate Net Revenues within the Redevelopment Project Area B, which are sufficient to meet the debt service requirements of the Bonds, is based on certain assumptions, estimates and opinions discussed in the Revenue Study. Certain of the Consultant's assumptions, estimates and opinions may not materialize and unforeseen events and circumstances may occur subsequent to the date of the Revenue Study. Therefore, there will usually be differences between the forecasted and actual results and those differences may be material. There is no assurance that actual events will correspond with the Revenue Study or the assumptions, estimates or opinions on which they are based. The Revenue Study should be read in its entirety by prospective investors for a full understanding of the forecasted statements, assumptions and qualifications contained therein.

The Placement Agent has reviewed the information in this Private Placement Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Placement Agent does not guarantee the accuracy or completeness of such information, including specifically but without limitation the information contained in the Revenue Study or any information excerpted therefrom. See the caption "**INVESTMENT CONSIDERATIONS AND RISKS**" in this Private Placement Memorandum and **Appendix D** to this Private Placement Memorandum.

The Revenue Study analyzes the revenue generation potential of the indicated retailers for the purpose of projecting the potential Net Revenues. Certain financial and statistical data included in this Private Placement Memorandum have been excerpted from the Revenue Study. The City, the District, the Developer and the Placement Agent make no representation or warranty, express or implied as to the accuracy or completeness of any financial, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Revenue Study, and there is no obligation to update such information after the delivery of the Bonds. The Consultant has consented to the inclusion of its report in this Private Placement Memorandum.

The Revenue Study is forward-looking and involves certain assumptions and judgments regarding future events. Although the Revenue Study is based on currently available information, it is also based on assumptions about the future state of the national and regional economy and the local real estate markets as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The Revenue Study is not a prediction or assurance that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections in the Revenue Study, and the variations may be material. Prospective purchasers of the Bonds should carefully review **Appendix D**, including particularly the assumptions underlying the forecasted Payments in Lieu of Taxes, Economic Activity Tax Revenues, CID Revenues and the City's Supplemental TIF Revenues.

PROJECTED ANNUAL REDEMPTIONS OF BONDS

Introduction

The following discussion describes the assumptions (the "**Structuring Assumptions**") used to calculate the projected annual redemptions of the Bonds pursuant to the special mandatory redemption provisions described under the caption "**THE BONDS – Redemption – Special Mandatory Redemption**" in this Private Placement Memorandum under the various scenarios described below. Potential investors are cautioned that the information in this section represents "forward-looking statements" as described under the caption "**INVESTMENT CONSIDERATIONS AND RISKS – Forward-Looking Statements**" in this Private Placement Memorandum.

Structuring Assumptions

General. The Structuring Assumptions discussed under this heading were prepared by the Placement Agent and are believed to be reasonable. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from the results based on the Structuring Assumptions, and the variations may be material. If actual results are materially different from those assumed, it will have a material effect on the projections set forth under this caption.

Revenues. The available revenues are based on the Revenue Study and are subject to the assumptions and qualifications set forth therein. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” for a description of the revenues available for the payment of the Bonds and the Revenue Study attached as **Appendix D** to this Private Placement Memorandum.

Projected Scenario 1 Revenues. Assumes that revenues will be received in accordance with the projections set forth in the Revenue Study attached as **Appendix D** to this Private Placement Memorandum.

Projected Scenario 2 Revenues. Assumes that 77% of the revenues set forth in the Revenue Study attached as **Appendix D** to this Private Placement Memorandum will actually be received.

Assumed Investment Earnings. The amounts on deposit in the funds and accounts under the Indenture are assumed to earn interest at the rate of 0%.

Issue Date. The Bonds are assumed to be dated on the issuance date.

Assumed Interest. The Bonds are assumed to bear interest at the rate shown on the inside cover page.

Projected Annual Special Mandatory Redemptions

The following tables were prepared by the Placement Agent based on the Structuring Assumptions discussed above.

Redemption Schedule and Average Life: <i>Scenario 1</i>						
Date	Series 2016 Term Bonds Due 2027			Series 2016 Term Bonds Due 2040		
	Mandatory Redemption	Mandatory Redemption	Cumulative Redemptions	Mandatory Redemption	Mandatory Redemption	Cumulative Redemptions
5/1/2017						
5/1/2018						
5/1/2019	75,000		75,000			
5/1/2020	90,000		165,000	185,000		185,000
5/1/2021	115,000		280,000	200,000		385,000
5/1/2022	145,000		425,000	220,000		605,000
5/1/2023	175,000		600,000	235,000		840,000
5/1/2024	210,000		810,000	240,000		1,080,000
5/1/2025	240,000		1,050,000	265,000		1,345,000
5/1/2026	275,000		1,325,000	285,000		1,630,000
5/1/2027	310,000		1,635,000	310,000		1,940,000
5/1/2028				665,000		2,605,000
5/1/2029				735,000		3,340,000
5/1/2030				810,000		4,150,000
5/1/2031				880,000		5,030,000
5/1/2032				975,000		6,005,000
5/1/2033				1,625,000		7,630,000
5/1/2034						
5/1/2035						
5/1/2036						
5/1/2037						
5/1/2038						
5/1/2039						
5/1/2040						
Total	1,635,000			7,630,000		
Average Life:		7.446 Years			12.520 Years	

Redemption Schedule and Average Life: <i>Scenario 2</i>						
Date	Series 2016 Term Bonds Due 2027			Series 2016 Term Bonds Due 2040		
	Mandatory Redemption	Special Mandatory Redemption	Cumulative Redemptions	Mandatory Redemption	Special Mandatory Redemption	Cumulative Redemptions
5/1/2017						
5/1/2018						
5/1/2019	75,000		75,000			
5/1/2020	90,000		165,000			
5/1/2021	115,000		280,000			
5/1/2022	145,000		425,000			
5/1/2023	175,000		600,000			
5/1/2024	210,000		810,000			
5/1/2025	240,000		1,050,000			
5/1/2026	275,000		1,325,000			
5/1/2027	310,000		1,635,000			
5/1/2028					335,000	335,000
5/1/2029					380,000	715,000
5/1/2030					430,000	1,145,000
5/1/2031					475,000	1,620,000
5/1/2032					535,000	2,155,000
5/1/2033					590,000	2,745,000
5/1/2034					655,000	3,400,000
5/1/2035					715,000	4,115,000
5/1/2036					785,000	4,900,000
5/1/2037					855,000	5,755,000
5/1/2038					670,000	6,425,000
5/1/2039					355,000	6,780,000
5/1/2040					850,000	7,630,000
Total	1,635,000			7,630,000		
Average Life:		7.446 Years			18.085 Years	

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INVESTMENT CONSIDERATION AND RISKS

The Bonds are speculative securities and an investment in the Bonds is subject to a number of significant risk factors. Prospective purchasers of the Bonds should make such investigations and obtain such additional information from the City, the Placement Agent, the Developer and others as they deem advisable in connection with their evaluation of the suitability of the Bonds for investment.

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider, among other things, the following risk factors, which are not meant to be an exhaustive listing of all risks associated with the purchase of the Bonds. The order of presentation of the risk factors does not necessarily reflect the order of their importance. Prospective purchasers of the Bonds should analyze carefully the information contained in this Private Placement Memorandum, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Private Placement Memorandum.

This Private Placement Memorandum is furnished solely for consideration by prospective purchasers of the Bonds with the experience and financial expertise to understand and evaluate the significant degree of risk inherent in the investment. Purchase of the Bonds will constitute an investment subject to a significant degree of risk, including the risk of nonpayment of principal and interest.

Limited Offering; Restrictions on Transfer

The Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “**Securities Act**”), in reliance upon exemption therefrom. Accordingly, the Bonds are being offered solely on a private placement basis to the Original Purchaser. Neither the Bonds nor any beneficial interest therein may be resold or transferred by any purchaser, except under the conditions described under the captions “**THE BONDS - Registration, Transfer and Exchange**” and “**NOTICE TO INVESTORS**” in this Private Placement Memorandum.

Limited Sources of Revenue for Debt Service

The Bonds are limited obligations of the City, payable solely and only from the Pledged Revenues and are secured by a pledge of the same to the Trustee in favor of the Bondowners, as provided in the Indenture. The Bond proceeds will be used to pay such Redevelopment Project Costs and to reimburse the Developer for certain Redevelopment Project Costs already expended by the Developer. No assurance can be given that Net Revenues will be realized in amounts sufficient to pay the principal of and interest on the Bonds as such obligations become due. **The Bonds and the interest thereon are not a debt or general obligation of the City, the District or the State and do not constitute an indebtedness of the City, the District or the State within the meaning of any constitutional or statutory debt limitation or restriction.**

Because the TIF Act provides that 23 years is the maximum amount of time for the retirement of obligations incurred to finance redevelopment project costs, the obligation of the City to transfer Economic Activity Tax Revenues and Payments in Lieu of Taxes to the Trustee for the repayment of the Bonds terminates on November 16, 2037 whether or not the principal amount thereof or interest thereon has been paid in full. Thereafter, the revenues available for repayment of the Bonds, subject to appropriation by the District, is limited to the District’s sales tax that terminates on March 31, 2040.

In addition, the CID Revenues allocable to pay the Debt Service Requirements for the Bonds shall not exceed 20% of the Debt Service Requirements for the Bonds for each of the calendar years 2019 through 2037, and shall not exceed 24% of the cumulative Debt Service Requirements for the

Bonds from the issuance date of the Bonds until the final maturity of the Bonds (or such other percentages as provided in writing by the City to the Trustee permitted by law based on amounts paid from the Project Fund and eligible for payment from the CID Revenues).

Factors Affecting Economic Activity Tax Revenues, CID Revenues and City's Supplemental TIF Revenues

Revenues derived from Economic Activity Tax Revenues, CID Revenues and City's Supplemental TIF Revenues are contingent and may be adversely affected by a variety of factors within the Redevelopment Project Area B, including, without limitation, economic conditions within the Redevelopment Project Area B and the surrounding trade area, competition, rental rates, occupancy rates, wage rates, unemployment, operating costs, fire, natural disasters, strikes, or interruption or termination of operation of economic activities within the Redevelopment Project Area B. As a result of all of the above factors, it is difficult to predict with certainty the expected amount of Economic Activities Tax Revenues, CID Revenues and the City's Supplemental TIF Revenues which will be available for appropriation, which will in turn be available to pay the principal of and interest on the Bonds.

No Pledge or Mortgage of the Redevelopment Project

Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on Redevelopment Project Area B or any portion thereof: however, under the TIF Act, PILOTs that are due and owing constitute a lien against the real estate in Redevelopment Area from which they are derived. Upon a default in the payment of any Payments in Lieu of Taxes, the lien for unpaid Payments in Lieu of Taxes may be enforced by the County.

No portion of the Redevelopment Project itself nor any revenues, assets, leases, lease payment, agreements or rights of such Redevelopment Project are pledged to the Trustee under the Indenture. Therefore, in the event of a default, the Trustee will not have the ability to sell the Redevelopment Project or any portion thereof to retire the Bonds nor look to the Developer or any principal or affiliate thereof or to any other asset or collateral to secure repayment of the Bonds. The Bonds are not the obligation of the Developer or its members, shareholders or affiliates. The Bonds are payable solely from the Pledged Revenues (and the pledge of the Trust Estate under the Indenture).

Revenue Study and Financial Projections

The forecasted annual Payments in Lieu of Taxes, Economic Activity Tax Revenues, CID Revenues and the City's Supplemental TIF Revenues contained in the Revenue Study and included or reflected in this Private Placement Memorandum are based on various assumptions concerning facts and events over which the City, the Developer or the Placement Agent have no control. No representation or warranty is or can be made about the amount or timing of any future income, loss, occupancy, valuation, increased assessment or revenues, or that actual results will be consistent with the Revenue Study or with the forecasts contained therein. The information in the Revenue Study is based on various assumptions, estimates and opinions. There is no assurance that actual events will correspond with the projections or the assumptions, estimates and opinions on which they are based.

The Revenue Study is forward-looking and involves certain assumptions and judgments regarding future events. Although the Revenue Study is based on currently available information, it is also based on assumptions about the future state of the national and regional economy and the local real estate markets as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The Revenue Study is not a prediction or assurance that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the Revenue Study, and the variations may be material. Prospective Bondowners should read the Revenue Study carefully and form their own opinions

about the validity and reasonableness of such assumptions. See attached **Appendix D** and the caption “**REVENUE STUDY**” in this Private Placement Memorandum.

Non-Appropriation

Economic Activity Tax Revenues and City’s Supplemental TIF Revenues. The application of Economic Activity Tax Revenues and the City’s Supplemental TIF Revenues to the payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. Although the City has covenanted in the Financing Agreement and in the Indenture that the appropriation of the Economic Activity Tax Revenues to the Special Allocation Fund and the City’s Supplemental TIF Revenues will be included in the budget submitted to the City Council for each fiscal year, there can be no assurance that such appropriation will be made by the City Council, and the City Council is not legally obligated to make any such appropriation.

CID Sales Tax Revenues. The application of CID Sales Tax Revenues to the payment of the principal of and interest on the Bonds is subject to annual appropriation by the District. Although the District has covenanted in the Cooperative Agreement that the appropriation of the CID Sales Tax Revenues will be included in the budget submitted to the board of directors for each fiscal year, there can be no assurance that such appropriation will be made by the board of directors, and the board of directors is not legally obligated to make any such appropriation.

Reduction in Assessed Valuation of the Property

There can be no assurance that the assessed valuation of the property within the Redevelopment Project Area B subject to Payments in Lieu of Taxes will equal or exceed the forecasted assessed value. Even if the assessed value is initially determined as forecasted, there can be no assurance that such assessed value will be maintained throughout the term of the Bonds. If at any time during the term of the Bonds the actual assessed value is less than forecasted, the amount of Payments in Lieu of Taxes may be less than forecasted and there may not be sufficient Payments in Lieu of Taxes to meet the obligations to the Bondowners.

Even if the County Assessor’s determination of the assessed valuation of property within the Redevelopment Project Area B subject to Payments in Lieu of Taxes equals or exceeds the forecasted assessed value, the owners of such property have the right to appeal such determination. If any such appeal is not resolved prior to the time when real estate taxes and Payments in Lieu of Taxes are due, the taxpayer may pay the taxes and Payments in Lieu of Taxes in protest. In such event, that portion of taxes and Payments in Lieu of Taxes being protested will not be available for deposit into the Special Allocation Fund until the appeal has been concluded. If the appeal is resolved in favor of the taxpayer, the assessed valuation of property within the Redevelopment Project Area B subject to Payments in Lieu of Taxes will be reduced, in which event the Payments in Lieu of Taxes may be less than forecasted.

Expiration of Sales Taxes

Certain of the sales taxes imposed within the Redevelopment Project Area B are scheduled to expire prior to the final maturity of the Bonds; provided, such taxes are subject to renewal upon the approving qualified votes. The projected Economic Activity Tax Revenues set forth in the Revenue Study and in this Private Placement Memorandum assume that such taxes will not be renewed at their current levels prior the expiration thereof. There can be no assurance given that such taxes will be renewed prior to the expiration thereof or at what level such taxes are renewed. The failure of such taxes to be renewed at the current levels would have an adverse impact on the Economic Activity Tax Revenues generated within the Redevelopment Project Area B.

Environmental Conditions

No assurance can be given that environmental conditions do not now or will not in the future exist at the Redevelopment Area or any development which could become the subject of enforcement actions by governmental agencies. Additionally, there can be no assurance that future environmental conditions, if any, would not adversely impact the willingness of the public to frequent the Redevelopment Area or any retail establishments. The amount of Pledged Revenues is largely dependent upon the purchase of goods, at White Oak Marketplace and its retail developments.

Amendment to the TIF Act

Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such taxing district's levy rate for ad valorem tax on real property, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered payments in lieu of taxes subject to deposit into a special allocation fund without the consent of such taxing district. Revenues will be considered directly attributable to the newly voter-approved incremental increase to the extent that they are generated from the difference between the taxing district's actual levy rate currently imposed and the maximum voter approved levy rate at the time that the redevelopment project was adopted.

Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered economic activity taxes subject to deposit into a special allocation fund without the consent of such taxing district.

Because the amendments are new and because existing tax rates are subject to adjustment and rollback pursuant to the Hancock Amendment, it is not possible to predict with certainty how this amendment will be interpreted and how the amount of "additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase" will be determined. The effects of the new amendment to the TIF Act and the tax-rate rollbacks required under the Hancock Amendment could result in a reduction in the amount of Payments in Lieu of Taxes or Economic Activity Tax Revenues available for the payment of the Bonds.

It is not possible to predict whether additional amendments to the TIF Act will be proposed in future Missouri legislative sessions, the nature of any such future proposed amendments, or whether such future proposed amendments will become law. Future amendments to the TIF Act may negatively affect the amounts of Payments in Lieu of Taxes and Economic Activity Tax Revenues available to pay principal and interest on the Bonds.

Reliance on Developer, Tenants and Property Owners and Ongoing Financial Feasibility of the Redevelopment Project

The redevelopment of the White Oak Marketplace Project has been undertaken by the Developer and those parties contracting with the Developer. Neither the Developer nor any owner is under any obligation to own the White Oak Marketplace Project for the term of the Bonds. To the extent that the Developer has sold or sells any part of the White Oak Marketplace Project, the payment of debt service on the Bonds will be dependent (regardless of occupancy) on subsequent owners of the Redevelopment Project Area B to provide the payment of Payments in Lieu of Taxes for deposit into the Special Allocation Fund.

It is expected that the White Oak Marketplace Project will be managed by an entity related to the Developer. Bondowners will be dependent on current and future managers and owners of the White Oak Marketplace Project to maintain occupancy in order to assure that Economic Activity Tax Revenues, CID

Revenues and City's Supplemental TIF Revenues are generated and to maintain assessed valuation in order that Payments in Lieu of Taxes will be generated. The terms of the current leases and the planned lease with the Dental Tenant are set forth under the caption "**WHITE OAK MARKETPLACE PROJECT - The Leases and Letter of Intent**" in this Private Placement Memorandum. There can be no assurance that any current or future tenant will renew or extend its lease upon the expiration thereof or will not vacate the leased premises prior the expiration of the lease term.

Uninsured Losses. The Redevelopment Agreement requires the maintenance of comprehensive insurance, including fire, liability and extended coverage on those parts of the Redevelopment Project controlled by the Developer. It is anticipated that the Developer or any owner of a portion of the White Oak Marketplace Project (such as the current and future owner of an out-parcel), to the extent the property is leased, would elect to, and various tenants would be obligated to, provide like coverage during the terms of their respective leases. However, there are certain types of losses (generally of a catastrophic nature) which may be either uninsurable or not economically insurable. Such excluded risks generally include war, earthquakes and floods, as well as liability for any discrimination, sexual harassment and/or civil rights violations, riots, in addition to awards for punitive damages. If an event occurs which is not covered by insurance, or if a loss occurs for which no coverage was in effect because the Developer, other owner or a tenant was without funds for premium payments, the Developer or other owner might suffer a loss that could have a material adverse impact on the financial condition of the Developer or other owner and prevent rebuilding or restoring of the Redevelopment Project, or a tenant might suffer an interruption or cessation of business, resulting in either a reduction or cessation of sales tax generating revenues or the ability to pay ad valorem taxes.

Damage or Destruction. The partial or complete destruction of the Redevelopment Project, as a result of fire, natural disaster or similar casualty event or the temporary or permanent closing of one or more establishments in the Redevelopment Project Area B due to strikes or failure of the business would adversely affect the Economic Activity Tax Revenues and CID Sales Tax Revenues and City Supplemental TIF Revenues and thereby adversely affect the revenues available to pay the Bonds and the interest thereon. Any insurance maintained by the owner of or the tenants in the Redevelopment Project Area B for such casualty or business interruption is not likely to include coverage for sales taxes that otherwise would be generated by the establishment.

Competition. The majority of the Redevelopment Project Area B is intended to be a retail development. Current and future tenants and owners will face competition for sales (which, in turn, generate sales tax revenues) from other retail developments, strip centers, and freestanding retailers located in the City and the eastern portions of the Kansas City metropolitan area. There can be no assurance of the success of the efforts of the Developer for the Redevelopment Project to attract purchaser-retailers or tenant-retailers for the Redevelopment Project, and in turn there can be no assurance that the purchaser-retailers or tenant-retailers will be able to attract retail customers located within the anticipated market area for the retail development.

Leases to Retailers. There is no obligation on the part of the Developer, or any other property owner, to operate space, or lease space in the Redevelopment Project to tenants, which generate Economic Activity Tax Revenues and CID Sales Tax Revenues.

The leases for the White Oak Marketplace Project may provide that the tenant is responsible for its pro rata share of any real estate taxes (including Payments in Lieu of Taxes) and certain other common expenses. In such cases, if a tenant defaults in paying its pro rata share of such taxes or other common expenses, the Developer or any subsequent owner(s) will be responsible for such payments, although the Developer or other owner(s) would have the right to declare a default under the tenant's lease if the tenant failed to pay such amounts.

A tenant may cease operations but continue to pay rent to the Developer or other owner. Under such circumstances, no Economic Activity Tax Revenues, CID Sales Tax Revenues or City's Supplemental TIF Revenues would be generated by the related space within the White Oak Marketplace Project. In addition, the Developer has no obligation to lease or sell space at the White Oak Marketplace Project solely to entities that generate Economic Activity Tax Revenues, CID Sales Tax Revenues or City's Supplemental TIF Revenues, and the Developer or other owner(s) may modify, demolish, redevelop or change the White Oak Marketplace Project in such manner as it may determine.

Tax Increment Financing and Community Improvement District Litigation – In General

From time to time cases are filed in a Missouri court challenging certain aspects of the TIF Act or the CID Act. Circuit courts in Missouri are trial courts and decisions in those courts are not binding on other Missouri courts. Circuit court decisions, whether favorable or unfavorable with respect to the constitutionality and application of the TIF Act or the CID Act, may be appealed to a Missouri Court of Appeals, and, ultimately, the Missouri Supreme Court. If the plaintiffs are successful in one or more of the currently pending cases, the court's decision may interpret the requirements of the TIF Act or the CID Act in a manner adverse to the establishment of tax increment financing for Redevelopment Project Area B or the CID Sales Tax. It is not possible to predict whether an adverse holding in any current or future litigation would prompt a challenge to the adoption of tax increment financing in Redevelopment Project Area B or the CID Sales Tax. If current or future litigation challenging all or any part of the TIF Act or the CID Act were to be applied to the adoption of tax increment financing in Redevelopment Project Area B or the CID Sales Tax, the Economic Activity Tax Revenues, the City's Supplemental TIF Revenues or the CID Sales Tax Revenues may not be available to pay principal of and interest on the Bonds, the enforceability of the Indenture could be adversely affected. None of the City or any other party involved in the issuance and sale of the Bonds can predict or guarantee the outcome of any currently pending or future litigation challenging the constitutionality or the application of the TIF Act, the CID Act or the application by a court of a potential holding in any case to other tax increment projects or community improvement districts.

Changes in State and Local Tax Laws

The Revenue Study assumes no substantial change in the basis of extending, levying and collecting real property taxes, Payments in Lieu of Taxes, Economic Activity Tax Revenues and CID Revenues. Any change in the current system of collection and distribution of real property taxes, Payments in Lieu of Taxes, Economic Activity Tax Revenues and CID Revenues in the County or the City, including without limitation the reduction or elimination of any such tax, judicial action concerning any such tax or voter initiative, referendum or action with respect to any such tax, could adversely affect the availability of revenues to pay the principal of and interest on the Bonds. There can be no assurance that the current system of collection and distribution of the real property taxes, Payments in Lieu of Taxes, Economic Activity Tax Revenues or CID Revenues in the County or the City will not be changed by any competent authority having jurisdiction to do so, including without limitation the State, the County, the City, school districts, the courts or the voters, and none of the documents relating to the issuance of the Bonds or the establishment of the Redevelopment Plan or the CID limits the ability of the City to make any such changes with respect to City taxes and levies.

Reductions in Local Tax Rates

Any taxing district in Redevelopment Project Area B could lower its tax rate, which would have the effect of reducing the Payments in Lieu of Taxes and Economic Activity Tax Revenues derived from Redevelopment Project Area B. Such a reduction in rates could be the result of the governing body of the taxing district's desire to lower tax rates, taxpayer initiative, or in response to state or local litigation or legislation affecting the broader taxing structure within the taxing district, such as litigation or legislation affecting the primary reliance on ad valorem property taxes to fund elementary and secondary education in the State.

Debt Service Reserve Fund

At the time of issuance of the Bonds, the Debt Service Reserve Fund will be funded in an amount equal to \$901,274.31 (the “**Debt Service Reserve Requirement**”). See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Indenture Funds And Accounts**” in this Private Placement Memorandum. There can be no assurance that the amounts on deposit in the Debt Service Reserve Fund will be available if needed for payment of the Bonds in the full amount of the Debt Service Reserve Requirement because (1) of fluctuations in the market value of the securities deposited therein and/or (2) if funds are transferred to the Debt Service Fund, sufficient revenues may not be available in the Revenue Fund to replenish the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

Redemption of Bonds

The Bonds are subject to redemption, in whole or in part, prior to maturity. If the Bonds are redeemed prior to their maturity, the Owners thereof will not receive the rate of interest indicated for the term of their initial investment, and, if so redeemed, the Owners may not be able to reinvest the proceeds thereof at comparable rates.

Purchasers of Bonds at a price in excess of their principal amount should consider the fact that the Bonds are subject to redemption at a redemption price equal to their principal amount plus accrued interest under certain circumstances. See the caption “**THE BONDS – Redemption**” in this Private Placement Memorandum.

Defeasance Risk

When any or all of the Bonds or the interest payments thereon have been paid and discharged, then the requirements contained in the Indenture and the pledge of revenues made thereunder and all other rights granted thereby shall terminate with respect to the Bonds so paid and discharged. Bonds shall be deemed to be paid within the meaning of the Indenture when payment of the principal on such Bonds, plus premium, if any, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (1) has been made or caused to be made in accordance with the terms of the Indenture, or (2) provision therefor has been made by depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and the Trustee shall have received an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such deposit of interest on any Bonds will not result in the interest on any Bonds then Outstanding and exempt from taxation for federal income tax purposes becoming subject to federal income taxes then in effect and that all conditions precedent to the satisfaction of the Indenture have been met. Any money and non-callable Government Securities that at any time shall be deposited with the Trustee by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be assigned, transferred and set over to the Trustee in trust for the respective Owners of the Bonds, and such moneys shall be irrevocably appropriated to the payment and discharge thereof. Non-callable Government Securities include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Indenture that Government Securities consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and a change or downgrade in the rating of Government Securities could affect the price of Bonds defeased with such Government Securities.

No Redemption of Bonds in the Event of Taxability

None of the Bonds are subject to redemption prior to maturity solely as a result of the occurrence of an event which has the effect of rendering interest on such Bonds includable in the gross income of the Owners of such Bonds for purposes of federal income taxation. No provision is made in the either Indenture for any increase or other adjustment in the rate of interest payable on such Bonds in the event of such an occurrence.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Code and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The City has covenanted in the Indenture and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the City to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under the caption “**LEGAL MATTERS**” in this Private Placement Memorandum assumes the compliance by the City with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the City to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

Future Changes in the Law

There can be no assurance that the Missouri state legislature will not enact legislation that will amend the applicable state tax increment financing laws, state community improvement district laws or other laws or the Constitution of the State of Missouri resulting in a reduction of tax revenues, and consequently, an adverse effect on the revenues otherwise available to pay the debt service on any of the Bonds. Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the taxing authority of the City.

Limitations on Remedies Available to Owners of the Bonds

The enforceability of the rights and remedies of the owners of Bonds, the terms and conditions of the Indenture and the Financing Agreement, and the obligations incurred by the City in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the power delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Missouri and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Lack of Rating and Market for the Bonds

The Bonds have not received a credit rating by any rating agency. The absence of a rating could affect the ability of owners of the Bonds to sell their Bonds or the price at which their Bonds can be sold. No assurance can be given that a secondary market for the Bonds will develop following the completion of the offering of the Bonds. The Bonds are not readily liquid and no person should invest in the Bonds with funds such person may need to convert readily into cash. Bondowners should be prepared to hold their Bonds to the stated maturity date. The Placement Agent will not be obligated to repurchase or place any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds and no assurance can be given that the initial offering price for the Bonds will continue for any period of time.

General Economic Risks

The ability to make payments on the Bonds will be dependent upon the economic strength and vitality of the Redevelopment Project. The Redevelopment Project will be subject to all of the risks generally associated with retail development projects. Retail development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. In addition, if there is a decline in the general economy of the area, the owner of the real property or their tenants may be less able or less willing to make timely payments of ad valorem or sales taxes or may be predisposed to petition to reduce assessed valuations causing a delay in or even prevent the receipt of tax revenues by the City from the Redevelopment Project.

Construction Risk

Whether or not the Redevelopment Project will be completed on schedule depends upon a large number of factors, many of which may be beyond the control of the Developer. These include, but are not limited to, adverse weather, strikes, delays in the delivery of or shortages of materials, delays in the issuance of required building permits, environmental restrictions or similar unknown or unforeseeable contingencies. Further, although construction work will be inspected periodically by the architect and other professionals, there can be no assurance that the Redevelopment Project will conform to construction specifications or state or local regulations. The occurrence of any of the foregoing could result in increases in construction costs or considerable delays in, or complete impossibility of, completion of the Redevelopment Project. In addition, the Developer may elect or be required to make certain changes to the construction plans for the Redevelopment Project which could result in insufficient funds to complete the construction of the Redevelopment Project without additional funding sources being obtained and secured by the Developer.

Risk of Audit

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Internal Revenue Service will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Internal Revenue Service would likely treat the City as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Forward-Looking Statements

Certain statements included in or incorporated by reference in this Private Placement Memorandum that are not purely historical are “forward-looking statements” within the meaning of the United States Private

Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the Developer's current expectations, hopes, intentions or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" or other similar words. Such forward-looking statements include, among others, certain statements under this section captioned "INVESTMENT CONSIDERATIONS AND RISKS."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS, INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRIVATE PLACEMENT MEMORANDUM WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRIVATE PLACEMENT MEMORANDUM ARE BASED ON INFORMATION AVAILABLE TO THE CITY AND THE DEVELOPER ON THE DATE HEREOF, AND NEITHER THE CITY NOR THE DEVELOPER ASSUMES ANY OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR.

In Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. An investment in the Bonds involves a substantial element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Private Placement Memorandum (including the Appendices to this Private Placement Memorandum) in order to make a judgment as to whether the Bonds are an appropriate investment.

LITIGATION

The City

There is no litigation, controversy or other proceeding of any kind pending, or to the City's knowledge, threatened in which any matter is raised or may be raised questioning, disputing, challenging or affecting in any way the legal organization of the City, the right or title of any of the City's officers to their respective offices, the Financing Documents, the legality of any official act taken in connection with the issuance of the

Bonds or the legality of any of the proceedings had or documents entered into in connection with the authorization, issuance or sale of the Bonds.

The Developer

There is no litigation, proceedings or investigation pending or, to the knowledge of the corporate officers of the Developer, threatened against the Developer, except litigation involving claims the probable recoveries in which and the estimated costs and expenses of defense of which, (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) of the Developer, or (ii) if adversely determined, will not materially and adversely affect the ability of the Developer to perform its obligations under the documents relating to the Bonds and the Redevelopment Project.

In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the corporate officers of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Financing Documents, the Bonds or any other required documents by the City, or any other required documents by the Developer, or which would in any manner challenge or adversely affect the corporate existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Developer of the terms and provisions of the Redevelopment Agreement or any other documents relating to the issuance of the Bonds or relating to the development of the Redevelopment Project to which it is a party.

The District

There is no litigation, controversy or other proceeding of any kind pending, or to the District's knowledge, threatened in which any matter is raised or may be raised questioning, disputing, challenging or affecting in any way the legal organization of the District, the right or title of any of the District's officers to their respective offices, the legality of any official act taken in connection with the imposition of the CID Sales Tax or the legality of any of the proceedings had or documents entered into in connection with the authorization, issuance or sale of the Financing Document or the Bonds.

FINANCIAL ADVISOR

The City has retained Springsted Incorporated, Public Sector Advisors, of St. Paul, Minnesota and Kansas City, Missouri ("**Springsted**"), as municipal advisor in connection with certain aspects of the issuance of the Bonds. Springsted is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in this Private Placement Memorandum in accordance with accounting standards. Springsted is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Springsted is under common ownership with Springsted Investment Advisors, Inc. ("**SIA**"), an investment adviser registered in the states where services are provided. SIA may provide investment advisory services to the City from time to time in connection with the investment of proceeds from the Bonds as well as advice with respect to portfolio management and investment policies for the City. SIA pays Springsted, as municipal advisor, a referral fee from the fees paid to SIA by the City.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds by the Issuer are subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, whose approving opinion will be delivered with the Bonds. A copy of the proposed form of such opinion is attached as **Appendix B** to this Private Placement Memorandum. Certain legal matters will be passed upon for (i) the

City by its City Attorney, (ii) the Developer and the District by Polsinelli PC, Kansas City, Missouri, and (iii) the Placement Agent by Bryan Cave LLP, Kansas City, Missouri.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from Missouri income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or

retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

In connection with the issuance of the Bonds, the City and the Developer will enter into a Continuing Disclosure Agreement (the "**Continuing Disclosure Agreement**") with UMB Bank, N.A., acting as dissemination agent (the "**Dissemination Agent**"), for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to bondowners. See the form of the Continuing Disclosure Agreement attached as in **Appendix C** to this Private Placement Memorandum.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel, is representing the City in connection with the issuance of the Bonds and has represented the Placement Agent in transactions unrelated to the issuance of the Bonds, but is not representing the Placement Agent in connection with the issuance of the Bonds.

PRIVATE PLACEMENT OF BONDS

UMB Bank, N.A. (the "**Placement Agent**"), pursuant to a Private Placement Agreement among the City, the Developer and the Placement Agent, has agreed, subject to certain conditions contained therein, to use its best efforts to privately place the Bonds at the aggregate purchase price of \$9,265,000.00. The Placement Agent will receive a placement fee in the amount of \$138,975.00. The obligations of the Placement Agent to use its best efforts to place the Bonds is subject to certain terms and conditions set forth in the Private Placement Agreement.

NOTICE TO INVESTORS

The Bonds have not been registered under the Securities Act or under applicable state securities laws and may not be offered or sold within the United States or to U.S. persons (as such terms are defined in the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereunder.

The Bonds may only be purchased by or transferred to Approved Investors. No such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner has delivered to the City and the Trustee written notice thereof that discloses the name and address of the purchaser or transferee and such assignment, transfer or conveyance shall be made only upon receipt by the City and the Trustee of a letter in substantially the form attached as Exhibit E to the Indenture executed by the proposed purchaser or transferee.

“Approved Investors” means, (a) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (ii) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

Each purchaser of the Bonds offered hereby will be deemed to have represented and agreed as follows (terms used herein that are defined in the Securities Act are used herein as defined therein):

The purchaser (i) is an accredited investor or a qualified institutional buyer, and (ii) is acquiring such Bonds for its own account or for the account of a qualified institutional buyer, as the case may be, and understands that any subsequent owner of the Bonds is required to be an “accredited investor” under Rule 501(a) of Regulation D or a “qualified institutional buyer” as defined in Rule 144A.

Notice Regarding Restriction on Use of Retirement Plan Assets to Purchasers of the Bonds

In addition, by its acceptance of a Bond, each purchaser and subsequent transferee of a Bond will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Bonds constitutes assets of any employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), or the applicable provisions of any federal, state, local or non-United States laws which are similar to the provisions of Title I of ERISA or Section 4975 of the Code (“Similar Laws”) or (ii) the purchase and holding of such Bond by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation of any applicable Similar Laws.

NO RATINGS

The City has not applied to any rating service for a rating on the Bonds.

MISCELLANEOUS

The references herein to the TIF Act, the CID Act, the Indenture, the Financing Agreement, the Cooperative Agreement, the Redevelopment Plan and the Redevelopment Agreement are brief outlines of certain provisions of such documents and do not purport to be complete. Reference is made to the TIF Act, the CID Act, and such documents for full and complete statements of their provisions. Copies of such documents are on file at the offices of the Placement Agent (see the section herein captioned “INTRODUCTION - Definitions, Summaries of Documents and Additional Information”) and following delivery of the Bonds will be on file at the office of the Trustee.

Any statements in this Private Placement Memorandum involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Private Placement Memorandum is not to be construed as a contract or agreement between the City, the Developer, the District, the Placement Agent and the purchasers or owners of the Bonds.

The agreement of the City with the owners of the Bonds is fully set forth in the Indenture, and neither any advertisement of the Bonds nor this Private Placement Memorandum is to be construed as constituting an agreement with the purchasers of the Bonds.

The cover page and the attached Appendices are integral parts of this Private Placement Memorandum and must be read together with all of the foregoing statements.

The information presented in this Private Placement Memorandum has been furnished by sources believed by the Placement Agent to be reliable.

Neither the City, the District nor any of their respective officials, officers or employees make any warranties or representations regarding either the accuracy or sufficiency of the material furnished in this Private Placement Memorandum, except as otherwise expressly set forth herein. Neither the City, the District nor any of their respective officials, officers or employees assumes any duties, responsibility or obligations with respect to the Bonds other than those imposed, either expressly or by fair implication, upon such party by the Indenture, the Bonds, the Redevelopment Agreement or any other agreements executed in connection with the transactions described herein.

APPENDIX A-1
FORM OF THE INDENTURE

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CITY OF BLUE SPRINGS, MISSOURI

and

**UMB BANK, N.A.,
as Trustee**

TRUST INDENTURE

Dated as of December 1, 2016

Relating to:

\$9,265,000

**City of Blue Springs, Missouri
Special Obligation Revenue Bonds
(White Oak Marketplace Project)
Series 2016**

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE (the “Indenture”), made and entered into as of December 1, 2016, by and between the **CITY OF BLUE SPRINGS, MISSOURI**, a constitutional charter city and political subdivision duly organized and validly existing under the Constitution and laws of the State of Missouri (the “City”), and **UMB BANK, N.A.**, a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, and having a corporate trust office located in Kansas City, Missouri, as trustee (the “Trustee”);

RECITALS:

1. The City is authorized and empowered under its Charter and the Revised Statutes of Missouri, as amended, to issue bonds for the purpose of providing funds to finance the costs of certain redevelopment projects and to pay certain costs related to the issuance of such bonds.

2. A plan for redevelopment known as the “White Oak Tax Increment Financing Plan” (the “Redevelopment Plan”) for an area designated therein as the redevelopment area (the “Redevelopment Area”), as legally described in the Redevelopment Plan, has been prepared and reviewed by the Tax Increment Financing Commission of Blue Springs, Missouri (the “Commission”) and the City, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the “TIF Act”).

3. On November 17, 2014, the City Council adopted Ordinance No. 4519 (i) approving the Redevelopment Plan and finding the Redevelopment Area to be a “blighted area” within the meaning of the TIF Act, (ii) designating Development Associates, LLC, a Missouri limited liability company (the “Developer”), as the developer to implement the Redevelopment Projects of the Redevelopment Plan (as therein defined), and (iii) authorizing the execution and delivery of a contract (the “Redevelopment Agreement”) between the City and the Developer.

4. On November 17, 2014, the City Council adopted Ordinance No. 4520 which approved and designated an area (“Redevelopment Project A”) within the Redevelopment Area for redevelopment contemplated as a senior housing complex and adopted tax increment financing for the Redevelopment Project A.

5. On November 17, 2014, the City Council adopted Ordinance No. 4521 which approved and designated an area (“Redevelopment Project B”) within the Redevelopment Area for redevelopment contemplated as a commercial and retail development and adopted tax increment financing for the Redevelopment Project B.

6. White Oak Community Improvement District (the “District”) is authorized and empowered under the Missouri Community Improvement District Act, Sections 67.1401 through 67.1571 of the Revised Statutes of Missouri, as amended (the “CID Act”), to fund, promote, plan, design, construct, improve, maintain, and operate certain improvements, or to assist in any such activity. Pursuant to the CID Act, Ordinance No. 4523 was approved by the City Council creating the District for the purpose of funding certain improvements and services (the “CID Project”). The voters of the District have approved the imposition of a sales tax at the rate of 1.0% for the purpose of paying the cost of the CID Project and financing the costs of formation and operation of the District.

7. The City has determined that it is in the best interests of the City to issue its Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016, in the aggregate principal amount of \$9,265,000 (the “Bonds”), for the purpose of (a) financing certain Redevelopment Project Costs, (b) funding a debt service reserve for the Bonds, (c) funding capitalized interest on the Bonds, and (d) paying the costs of issuance of the Bonds.

7. On December 19, 2016, the City Council of the City adopted Ordinance No. 4636 (the “Bond Ordinance”), authorizing the issuance of the Bonds pursuant to this Indenture for the above purposes.

8. Pursuant to the Bond Ordinance, the City is authorized to execute and deliver this Indenture and a Financing Agreement between the City and the District (the “Financing Agreement”) for the purpose of issuing and securing the Bonds as hereinafter provided.

9. All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding obligations of the City, and to constitute this Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues herein made for the security of the payment of the principal of and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the City of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer, pledge and assign, without recourse, to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in and to all and singular the property described in paragraphs (a) and (b) below (said property being herein referred to as the “Trust Estate”), to wit:

(a) All Net Revenues derived by the City under and pursuant to and subject to the provisions of the Redevelopment Agreement or otherwise (excluding the City’s rights to payment of its fees and expenses and to be indemnified in certain events) and the Pledged Revenues; and

(b) All moneys and securities from time to time held by the Trustee under the terms of this Indenture (except payments required to be made to meet the requirements of Section 148(f) of the Code, as defined below, whether or not held in the Rebate Fund, as defined below) and any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the City or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds Outstanding, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond over or from the others, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the City or its successors or assigns pays or causes to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds, or provides for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities required for payment or redemption thereof when and as authorized by the provisions of **Article IX** hereof, and also pays or causes to be paid all other sums payable hereunder by the City, then these presents and the estate and rights hereby granted shall cease, terminate and become void; otherwise this Indenture shall be and remain in full force;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

“Arbitrage Instructions” means the Post-Issuance Tax Requirements, Policies and Procedures contained in the Tax Compliance Agreement, as the same may be amended or supplemented in accordance with the provisions thereof.

“Approved Investors” means, (a) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (ii) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

“Authorized City Representative” means the Mayor, City Administrator or Assistant City Administrator of Finance and Administrative Services of the City, or such other Person at the time designated to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such Person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“Authorized District Representative” means the authorized representative of the District designated to act on behalf of the District as evidenced by a written certificate furnished to the Trustee

containing the specimen signature of such person and signed on behalf of the District by its chief executive officer.

“Authorized Denominations” means \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds.

“Authorized Developer Representative” means the managing member of the Developer, or such other person at the time designated to act on behalf of the Developer as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Developer by its authorized member.

“Bonds” means the Bonds issued under this Indenture.

“Bond Counsel” means Gilmore & Bell, P.C. or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing and experienced in matters relating to the tax exemption of interest payable on obligations of states and their instrumentalities and political subdivisions, and which is selected by the City and acceptable to the Trustee.

“Bond Ordinance” means Ordinance No. 4636 of the City adopted on December 19, 2016, authorizing the execution and delivery of this Indenture and the Financing Documents, and the issuance of the Bonds.

“Business Day” means any day other than a Saturday, Sunday or any other day on which banking institutions in the city in which the corporate trust office of the Trustee is located are required or authorized by law to close.

“Cede & Co.” means Cede & Co., as nominee of The Depository Trust Company, New York, New York, or any successor nominee of the Securities Depository with respect to the Bonds.

“CID Act” means the Community Improvement District Act, Sections 67.1401 to 67.1571, inclusive, of the Revised Statutes of Missouri, as amended.

“CID Agreement” means the Cooperative Agreement among the City, the District and the Developer dated as of April 20, 2015.

“CID Revenues” means the revenues received by the District from the 1% sales tax imposed by the District within its boundaries and within the Redevelopment Project **exclusive** of (a) the District’s administrative costs and expenses not to exceed \$15,000 per annum, (b) Economic Activity Tax Revenues derived from the CID sales tax, and (c) the administrative fee retained by the City in the amount of 1% of all revenues received by the District from such sales tax imposed by the District.

“City” means the City of Blue Springs, Missouri, a constitutional charter city and political subdivision of the State.

“City Administrative Fee” means (1) for administrative costs and expenses of the City relating to the preparation, development and implementation of the Redevelopment Plan, an amount retained by the City equal to 1.0% of the Payments in Lieu of Taxes and Economic Activity Tax Revenues collected and deposited into the Special Allocation Fund plus 1% of the CID Revenues, plus (2) an amount for additional documented professional service costs and other expenses incurred by the City that are found by the City to be reasonable and necessary in connection with the Redevelopment Plan, the

Redevelopment Agreement or otherwise related to the Redevelopment Project (not to exceed the amount of \$10,000 per Fiscal Year).

“City’s Supplemental TIF Revenue” means fifty percent of the total additional revenue from City-imposed general 1% sales taxes which are generated by economic activities within the Redevelopment Project over the amount of such City-imposed general 1% sales tax revenue generated by economic activities within the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, subject to annual appropriation by the City. If a retail establishment relocates within one year from one facility within Jackson County, Missouri to another facility within Jackson County, Missouri within the Redevelopment Project, then for purposes of the City’s Supplemental TIF Revenue calculation, the City’s Supplemental TIF Revenue generated by the retail establishment shall equal fifty percent of the total additional revenue from the above-described sales tax revenue generated by the retail establishment in the calendar year prior to its relocation to the Redevelopment Project.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations, temporary regulations and proposed regulations thereunder.

“Debt Service Fund” means the fund by that name created in **Section 401** hereof.

“Debt Service Requirements” means for any period of time for which calculated, the aggregate of the payments to be made during such period in respect of principal (whether at maturity or otherwise) and interest on Bonds; provided that such payments are excluded from Debt Service Requirements to the extent that cash or Investment Securities are on deposit in an irrevocable escrow or trust account and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay principal or interest on the Bonds and are sufficient to pay such principal or interest.

“Debt Service Reserve Fund” means the fund by that name created in **Section 401** hereof.

“Debt Service Reserve Requirement” means the sum of \$901,274.31 to be deposited into the Debt Service Reserve Fund for the Bonds, which is a sum, at the date of original issuance and delivery of the Bonds, is not greater than the least of (A) **10%** of the original aggregate principal amount of the Bonds, (B) the maximum annual Debt Service Requirements on the Bonds in any future fiscal year following such date, or (C) **125%** of the average future annual Debt Service Requirements on the Bonds.

“Developer” or **“Redeveloper”** means Development Associates, LLC, a Missouri limited liability company, and any successors or assigns thereto permitted under the Redevelopment Agreement.

“District” means the White Oak Community Improvement District and its successors and assigns.

“Economic Activity Tax Revenues” means 50% of the total additional revenue from taxes imposed by the City or other taxing districts (as that term is defined in Section 99.805 of the TIF Act) which are generated by economic activities within the Redevelopment Project over the amount of such taxes generated by economic activities within the Redevelopment Project in the calendar year ending December 31, 2013, but excluding therefrom any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500, RSMo., licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, personal property taxes, and taxes levied for the purpose of public transportation pursuant to Section 94.660, RSMo., and the sales tax imposed by Jackson County, Missouri to fund improvements to the stadium sports complex, and further excluding the Fire District EATs Reimbursement. If a retail

establishment relocates within one year from one facility within Jackson County, Missouri to another facility within the Redevelopment Project, then for purposes of the Economic Activity Tax Revenues calculation, the Economic Activity Tax Revenues generated by the retail establishment shall equal fifty percent of the total additional revenue from economic activity taxes generated by the retail establishment over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the Redevelopment Project.

“Event of Default” means any event or occurrence as defined in **Section 701** hereof.

“Financing Agreement” means the Financing Agreement between the City and the District related to the Bonds, as amended from time to time.

“Financing Documents” means this Indenture, the Financing Agreement, the Redevelopment Agreement, the Tax Compliance Agreement, the CID Agreement, the Fire District Agreement, the Placement Agreement and any other documents entered into in connection with the issuance of the Bonds or the payment thereof.

“Fire District” means the Central Jackson County Fire Protection District of Jackson County, Missouri.

“Fire District Agreement” means the Fire Protection District Agreement between the City and the Fire District dated as of December 1, 2016, as amended.

“Fire District EATs Reimbursement” means 50% of the Economic Activity Tax Revenues generated by sales taxes imposed by the Fire District, which amount is retained by the Fire District pursuant to the Fire District Agreement.

“Fire District PILOTS Reimbursement” means 50% of the Payments in Lieu of Taxes received by the City that are attributable to ad valorem taxes imposed by the Fire District, which amount is paid to the Fire District by the City pursuant to the Fire District Agreement.

“Fiscal Year” means the fiscal year adopted by the City for accounting purposes, which as of the execution of this Indenture commences on October 1 and ends September 30.

“Force Majeure” means strikes, lockouts, other labor or industrial disturbances, civil disturbances, future valid orders of any governmental authorities, act of the public enemy, war, riot, sabotage, blockade, embargo, failure or inability to secure material or labor by reason of priority or similar regulation or orders of any governmental authorities, lightning, earthquake, fire, storm, hurricane, flood, washout, explosion, act of God, or any other similar cause beyond the reasonable control of the Developer.

“Government Securities” means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America and backed by the full faith and credit thereof.

“Immediate Notice” means notice given no later than the close of business on the date required by the provisions of this Indenture by telegram, telex, telecopier or other telecommunication device to such phone numbers or addresses as are specified in **Section 1102** hereof or such other phone number or address as the addressee shall have directed in writing, the receipt of which is confirmed by telephone, promptly followed by written notice by first-class mail, postage prepaid to such addressees.

“Investment Securities” means any of the following securities purchased in accordance with **Section 502** hereof, if and to the extent the same are at the time legal for investment of the funds being invested:

- (a) Government Securities;
- (b) bonds, notes or other obligations of the State, or any political subdivision of the State, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, including, without limitation, the Trustee or any of its affiliates, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;
- (d) obligations of Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks and Farmers Home Administration;
- (e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, including, without limitation, the Trustee or any of its affiliates, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (d) above, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits;
- (f) money market mutual funds that are invested in Government Securities; and
- (g) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State.

“Letter of Representations” means, collectively, the blanket letters from the City and the Trustee to the Securities Depository representing the matters necessary to qualify the Bonds pursuant to **Section 208**.

“Net Revenues” means (a) all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount of the PILOTS Account of the Special Allocation Fund but excluding the Fire District PILOTS Reimbursement, the School District PILOTS Reimbursement and the City Administrative Fee determined based on the amount of Payments in Lieu of Taxes, (b) subject to annual appropriation by the City, all moneys on deposit (including investment earnings thereon) in the Redevelopment Project subaccount account of the Economic Activity Tax Account of the Special Allocation Fund, but excluding the Fire District EATs Reimbursement and the City Administrative Fee determined based on the amount of Economic Activity Tax Revenues, (c) subject to annual appropriation by the District, all CID Revenues (including investment earnings thereon) but excluding the City Administrative Fee determined based on the amount of CID Revenues, paid by or on behalf of the District to the Trustee as provided in **Section 401** herein, and (d) subject to annual appropriation by the City, the City’s Supplemental TIF Revenue, paid by the City to the Trustee as provided in **Section 401** herein. Net Revenues do not include (i) any amount paid under protest until the protest is withdrawn or resolved

against the taxpayer and (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

“Opinion of Counsel” means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Owners of the Bonds, who may be (except as otherwise expressly provided in this Indenture) counsel to the City, the District, the Owners of the Bonds or the Trustee, and who is acceptable to the Trustee.

“Outstanding” means when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered under this Indenture except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds which are deemed to have been paid in accordance with **Section 902** hereof;
- (c) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 206** hereof; and
- (d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

“Owner” or **“Bondowner”** or **“Registered Owner”** means the Person in whose name any Bond is registered on the Register.

“Paying Agent” means the Trustee and any other bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Indenture as paying agent for the Bonds at which the principal of and interest on such Bonds shall be payable.

“Payment Date” means any date on which the principal of or interest on any Bonds is payable.

“Payments in Lieu of Taxes” means those payments in lieu of taxes (as defined in Sections 99.805(10) and 99.845 of the TIF Act), if any, attributable to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the Redevelopment Project over and above the certified total initial equalized assessed valuation of the real property in the Redevelopment Project, as provided for by Section 99.845 of the TIF Act.

“Person” means any natural person, firm, partnership, association, corporation, limited liability company or public body.

“Placement Agent” means UMB Bank, N.A., Kansas City, Missouri.

“Placement Agreement” means the Private Placement Agreement among the City, the Developer and the Placement Agent related to the purchase and sale of the Bonds.

“Pledged Revenues” means all Net Revenues and all moneys held in the Project Fund, the Revenue Fund, the Debt Service Fund and the Debt Service Reserve Fund under this Indenture, together with investment earnings thereon.

“Project” means the construction of Project Improvements (as contemplated in the Redevelopment Agreement) in the City of Blue Springs, Missouri, as described on **Exhibit D** attached hereto.

“Project Completion” means either (i) the disbursement of all moneys in the Project Fund pursuant to **Section 404** hereof or (ii) the deposit of all remaining moneys in the Project Fund into the Debt Service Fund pursuant to **Section 404** hereof.

“Project Costs” means the cost of the design and construction of the Project and other related costs of the Project.

“Project Fund” means the fund by that name created in **Section 401** hereof.

“Rebate Fund” means the fund by that name created in **Section 401** hereof.

“Record Date” for the interest payable on any Interest Payment Date means the 15th calendar day, whether or not a Business Day, of the month next preceding such Interest Payment Date.

“Redevelopment Agreement” means the Tax Increment Financing Contract dated November 17, 2014 between the City and the Developer, as amended from time to time.

“Redevelopment Area” means the area legally described in the Redevelopment Agreement as Redevelopment Project Area B.

“Redevelopment Plan” means the White Oak Tax Increment Financing Plan, as amended to date and as it may be amended from time to time, as described in the recitals to this Indenture.

“Redevelopment Project 1” or **“Redevelopment Project”** means the area within the Redevelopment Area described in Ordinance No. 4521.

“Register” means the registration books of the City kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Registrar” means the Trustee when acting as such under this Indenture.

“Reimbursable Project Cost” means any cost payable from the Special Allocation Fund under the TIF Act for the Project pursuant to the Redevelopment Plan and the Redevelopment Agreement.

“Replacement Bonds” means, if the City determines not to use the book-entry system of the Securities Depository pursuant to **Section 208**, one or more Bond certificates in principal amounts corresponding to the identifiable beneficial owners’ interests in the Bonds pursuant to the records of the Securities Depository.

“Revenue Fund” means the fund by that name created in **Section 401** hereof.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to **Section 208**.

“School District” means the Reorganized School District No. 4 of Jackson County, Missouri.

“School District PILOTS Reimbursement” means 10% of the Payments in Lieu of Taxes received by the City that are attributable to ad valorem taxes imposed by the School District to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the Redevelopment Project over and above the certified total initial equalized assessed valuation of the real property in the Redevelopment Project, as provided for by Section 99.845 of the TIF Act, to be paid to the School District as reimbursement for capital costs in accordance with the Redevelopment Agreement.

“Special Allocation Fund” means the Special Allocation Fund created within the Treasury of the City and ratified pursuant to **Section 401** herein and in accordance with Section 99.845 of the TIF Act and the TIF Ordinance for the projects within the Redevelopment Area, and within the Special Allocation Fund a PILOTS Account, an Economic Activity Tax Account and City’s Supplemental TIF Revenue Account.

“State” means the State of Missouri.

“Supplemental Indenture” means any indenture supplemental or amendatory to this Indenture entered into by the City and the Trustee pursuant to **Article X** hereof.

“Tax Compliance Agreement” means the Tax Compliance Agreement of even date herewith, between the City and the Trustee, as from time to time amended in accordance with the provisions thereof.

“Taxing Districts” means any political subdivision of the State having the power to levy taxes with boundaries in the Redevelopment Area.

“TIF Act” means the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended.

“TIF Ordinance” means Ordinance No. 4521 authorizing the adoption of tax increment financing within the Redevelopment Project.

“Trust Estate” means the Trust Estate described in the granting clauses of this Indenture.

“Trustee” means UMB BANK, N.A., Kansas City, Missouri, and its successor or successors and any other association or corporation which at any time may be substituted in its place pursuant to and at the time serving as trustee under this Indenture.

Section 102. Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Words importing the singular number shall include the plural and vice versa and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

(c) The table of contents hereto and the headings and captions herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

(d) Terms used in an accounting context and not otherwise defined shall have the meaning ascribed to them by accounting principles generally accepted in the United States of America.

(e) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE BONDS

Section 201. Authorization, Issuance and Terms of Bonds.

(a) *Authorized Amount of Bonds.* No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The total principal amount of the Bonds is limited to \$9,265,000.

(b) *Title of Bonds.* The general title of the Bonds authorized to be issued under this Indenture shall be “Special Obligation Revenue Bonds (White Oak Marketplace Project), Series 2016.”

(c) *Form of Bonds.* The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

(d) *Denominations.* The Bonds shall be issuable as fully registered Bonds in the Authorized Denominations.

(e) *Numbering.* Unless the City directs otherwise, the Bonds shall be numbered from R-1 upward.

(f) *Dating.* The Bonds shall be dated their date of delivery.

(g) *Method and Place of Payment.* The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. Payment of the principal of or interest on any Bond shall be made (i) by check or draft of the Trustee mailed to the Person in whose name such Bond is registered on the Register as of the commencement of business of the Trustee on the Record Date for such Payment Date, or (ii) in the case of a principal or interest payment to the Securities Depository or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice delivered to the Trustee not less than 5 days prior to the Record Date from and signed by such Owner containing electronic transfer instructions including the name of the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Owner wishes to have such transfer directed.

Section 202. Nature of Obligations.

(a) The Bonds and the interest thereon shall be special, limited obligations of the City payable solely from the Pledged Revenues and other moneys pledged thereto and held by the Trustee as provided herein, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in this Indenture.

(b) The Bonds and the interest thereon do not constitute a debt of the City, the State or any political subdivision thereof, and do not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

(c) No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future elected official of the City or any trustee, officer, official, employee or agent of the City, as such, either directly or through the City or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member of the City, trustee, officer, official, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of any of the Bonds.

(d) The obligations of the City with respect to the application of Economic Activity Tax Revenues and Payments in Lieu of Taxes to the repayment of the Bonds terminate on November 16, 2037, whether or not the principal amount thereof or interest thereon has been paid in full.

Section 203. Execution, Authentication and Delivery of Bonds.

(a) The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and shall have the corporate seal of the City affixed thereto or imprinted thereon. If any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by the Persons who, at the actual time of the execution of such Bond, are the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit A** hereto, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication has been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee, but it shall not be necessary that the same authorized signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 204. Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed Registrar and as such shall keep the Register for the registration and for the transfer of Bonds as provided in this Indenture. Each Bond when issued shall be registered in the name of the Owner thereof on the Register.

(b) Any Bond may be transferred only upon the Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new fully registered Bond or Bonds, registered in the name of the transferee, of the same series and maturity and in any Authorized Denomination authorized by this Indenture. The Bonds may only be purchased by or transferred to Approved Investors. No such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner has delivered to the City and the Trustee written notice thereof that discloses the name and address of the purchaser or transferee and such assignment, transfer or conveyance shall be made only upon receipt by the City and the Trustee of a letter in substantially the form attached as **Exhibit E** hereto executed by the proposed purchaser or transferee.

(c) Any Bond, upon surrender thereof at the corporate trust office of the Trustee or such other payment office as the Trustee shall designate, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for Bonds of the same series and maturity, of any Authorized Denomination authorized by this Indenture, bearing interest at the same rate, and registered in the name of the Owner.

(d) In all cases in which Bonds are exchanged or transferred hereunder, the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the City. In the event any registered owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such registered owner hereunder or under the Bonds.

(f) At reasonable times and under reasonable regulations established by the Trustee, the Register may be inspected and copied by the City or the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(g) The Person in whose name any Bond is registered on the Register shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 205. Description of Bonds.

(a) There shall be issued and secured by this Indenture the Bonds in an aggregate principal amount of \$9,265,000.

(b) The Bonds shall become due in the amounts on the maturity dates, subject to redemption and payment prior to their maturities as provided in **Article III** hereof, and shall bear interest at the rates specified below (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Payment Date to which interest has been paid or duly provided for, payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2017.

TERM BONDS

<u>Maturity</u> <u>May 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2027	\$1,635,000	3.75%
2040	7,630,000	5.15

(c) The Trustee is hereby designated as the Paying Agent for the payment of the principal of and interest on the Bonds.

(d) The Bonds shall be executed substantially in the form and manner set forth in **Exhibit A** attached hereto and delivered to the Trustee for authentication. Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

(1) A copy of the Bond Ordinance, certified by the City Clerk of the City, approving the issuance of the Bonds and authorizing the execution of this Indenture.

(2) An original executed counterpart of this Indenture and the other Financing Documents.

(3) An opinion of Bond Counsel to the effect that the Bonds constitute valid and legally binding obligations of the City and that the interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes.

(4) A copy of the Redevelopment Plan, certified by the City Clerk of the City.

(5) A request and authorization to the Trustee executed by the City to authenticate the Bonds and deliver said Bonds as directed by the Placement Agent upon payment to the Trustee, for the account of the City, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the name designated by the Placement Agent and the amount of such purchase price.

(6) An opinion of Bond Counsel to the effect that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and this Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(7) Such other certificates, statements, receipts, opinions and documents required by any of the foregoing documents or as the Trustee shall reasonably require for the delivery of the Bonds.

(e) When the documents mentioned in paragraph (d) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Bonds as directed by the Placement Agent, but only upon payment to the Trustee of the purchase price thereof.

Section 206. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee. In the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity to the City and the Trustee satisfactory to the Trustee. If any such Bond has matured, is about to mature or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount by the Owner sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 207. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be immediately canceled upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee and periodically destroyed by the Trustee in accordance with applicable record retention requirements. The Trustee shall execute a certificate describing the Bonds so canceled, and shall file an executed counterpart of such certificate with the City.

Section 208. Book-Entry System.

(a) The Bonds will initially be registered on the Bond Register maintained by the Trustee in the name of Cede & Co., and beneficial owners will not receive certificates representing their respective interests in the Bonds, except if the Trustee issues Replacement Bonds as provided below. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among the participants in the Securities Depository (the "DTC Participants") and receive and transmit notices with respect to, and payments of principal of and interest on, the Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the beneficial owners as described below.

(b) The Trustee agrees to give the various written notices to the Securities Depository in accordance with the Letter of Representations, including, without limitation, on or prior to each Payment Date a notice to the Securities Depository specifying the amounts of each payment on such Payment Date allocable to interest and to principal.

(c) If the Securities Depository determines to discontinue providing its services with respect to the Bonds and the City cannot obtain a qualified successor Securities Depository, or if DTC Participants holding a majority interest in the Bonds determine not to use the book-entry system of the Securities Depository, the City shall execute and the Trustee shall authenticate and deliver one or more Replacement Bonds to the DTC Participants in principal amounts corresponding to the identifiable beneficial owners' interests in the Bonds. The Trustee may conclusively rely on information provided by the Securities Depository as to the identities and addresses of the DTC Participants and the beneficial

owners and their interests in the Bonds. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository, or the Trustee as agent of the Securities Depository, has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable, with respect to such Replacement Bonds.

(d) If the Securities Depository resigns, is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the City, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any successor Securities Depository must be a securities depository that is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository will surrender the Bonds, together with assignments duly executed in accordance with the provisions of **Section 204**, to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein and as directed by the successor Securities Depository.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds Generally. The Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article.

Section 302. Redemption of Bonds.

(a) *Optional Redemption.*

The Bonds are subject to optional redemption by the City in whole or in part at any time on or after May 1, 2027, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

(b) *Extraordinary Mandatory Redemption.*

(1) The Bonds maturing May 1, 2040 are subject to special mandatory redemption by the City in order of maturity on each May 1 commencing May 1, 2018, at the redemption price of 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in an amount equal to the amount which is on deposit in the Redemption Account of the Debt Service Fund 40 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day).

(2) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the applicable account of the Debt Service Fund (and, with respect to the last series of Bonds Outstanding, the Debt Service Reserve Fund) are sufficient to redeem all of the Bonds of the applicable series at a redemption price of 100% of such Bonds Outstanding, together with accrued interest thereon to the date fixed for redemption.

(c) *Mandatory Redemption.* The Bonds maturing May 1, 2027 (the “Term Bonds”) will be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements set forth below at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The Trustee shall redeem on May 1 in each year, the following principal amounts of such Bonds:

<u>May 1</u>	<u>Amount</u>
2019	\$75,000
2020	90,000
2021	115,000
2022	145,000
2023	175,000
2024	210,000
2025	240,000
2026	275,000
2027	310,000

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Trustee for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Trustee funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Trustee shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date that, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (c)) and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection (c). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds

of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Trustee a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment and any Term Bonds to be credited pursuant to (3) above.

Section 303. Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be optionally redeemed and paid prior to maturity, such Bonds or portions of Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee from such maturities and in such amounts as the City may determine, and Bonds of less than a full maturity shall be selected by the Trustee in Authorized Denominations by lot or in such other equitable manner as it may determine.

(b) In the case of a partial redemption of Bonds when Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate Bond of the denomination of the minimum Authorized Denomination. If one or more, but not all, of the minimum Authorized Denomination units of principal amount represented by any Bond are selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination unit or units, the Owner of such Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (i) for payment of the redemption price (including the interest to the date fixed for redemption) of the minimum Authorized Denomination unit or units of principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond of a denomination greater than minimum Authorized Denomination fails to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination unit or units of principal amount called for redemption (and to that extent only) and shall cease to accrue interest on the principal amount so called for redemption.

Section 304. Notice of Redemption of Bonds.

(a) In the case of Bonds called for redemption under **Section 302**, the Trustee shall call Bonds for redemption and payment as herein provided and shall give notice of redemption as provided below upon receipt by the Trustee at least 40 days prior to the redemption date of a written request of the City. The foregoing provisions of this Section shall not apply in the case of any mandatory redemption of Bonds under this Bond Indenture, and the Trustee shall call Bonds for redemption and shall give notice of redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City.

Unless waived by any Owner of Bonds to be redeemed, official notice of any redemption of any Bond shall be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Register; provided, however, that failure to give such notice by mailing as aforesaid to any Owner or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds.

(b) All official notices of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed (such identification to include interest rates, maturities, CUSIP numbers and such additional information as the Trustee may reasonably determine),
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the corporate trust office of the Trustee or such other payment office as the Trustee may designate.

In addition to the foregoing notice, the Trustee shall also comply with any mandatory requirements or guidelines published by the Securities and Exchange Commission relating to providing notices of redemption. The failure of the Trustee to comply with any such requirements shall not affect or invalidate the redemption of said Bonds.

- (c) The Trustee shall mail by first-class mail to the City a copy of such redemption notice.

Any provision in this Indenture to the contrary notwithstanding, any notice of optional redemption pursuant to Section 302 shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds, and such notice and optional redemption shall be of no effect if by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds are not on deposit with and available to the Trustee.

So long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Section 305. Effect of Call for Redemption. On or prior to the date fixed for redemption, moneys or Government Securities shall be deposited with the Trustee as provided in **Section 402** hereof to pay the Bonds called for redemption and accrued interest thereon to the redemption date. Upon the happening of the above conditions, and notice having been given as provided in **Section 304** hereof, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, provided moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture.

ARTICLE IV

FUNDS AND REVENUES

Section 401. Creation of Funds; Application of Bond Proceeds.

(a) The following funds of the City are hereby created and established with the Trustee:

(1) Revenue Fund, which shall contain a PILOTS Account, an EATS Account, a CID Account and a City's Supplemental TIF Revenue Account.

(2) Debt Service Fund, which shall contain a Bond Payment Account and a Redemption Account.

(3) Debt Service Reserve Fund.

(4) Project Fund, which shall contain a Project Account, a Capitalized Interest Account and a Cost of Issuance Account.

(5) Rebate Fund.

Each fund and account shall be maintained by the Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in this Indenture. All moneys deposited in the funds and accounts shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, each series of the Bonds and all disbursements therefrom.

(b) The net proceeds received from the sale of the Bonds shall be deposited or paid simultaneously with the delivery of the Bonds as follows:

(1) the accrued interest, if any, received from the sale of the Bonds shall be deposited in the Bond Payment Account of the Debt Service Fund;

(2) an amount equal to \$541,361.38 from the proceeds of the Bonds shall be deposited in the Capitalized Interest Account of the Project Fund;

(3) an amount equal to \$901,274.31 from the proceeds of the Bonds shall be deposited in the Debt Service Reserve Fund;

(4) an amount equal to \$306,233.33 from the proceeds of the Bonds shall be deposited into the Cost of Issuance Account of the Project Fund;

(5) the remaining moneys from the proceeds of the Bonds shall be deposited into the Project Account of the Project Fund.

(c) The Special Allocation Fund held by the City is hereby ratified and confirmed. Moneys in the Special Allocation Fund shall be paid by the City on the tenth day of each month (or the next Business Day thereafter if the tenth day is not a Business Day) to the Trustee, with (A) all Net Revenues as of the last day of the preceding month consisting of Payments in Lieu of Taxes (excluding amounts held for the Fire District PILOTS Reimbursement, the School District PILOTS Reimbursement and amounts retained as the City Administrative Fee) accompanied by written notice identifying the Net

Revenues as Payments in Lieu of Taxes and directing the Trustee that such amounts are to be deposited into the PILOTS Account of the Revenue Fund, (B) subject to annual appropriation by the City and **Section 602** herein, all Net Revenues as of the last day of the preceding month consisting of Economic Activity Tax Revenues (excluding the Fire District EATS Reimbursement and amounts retained as the City Administrative Fee) accompanied by written notice identifying the Net Revenues as Economic Activity Tax Revenues and directing the Trustee that such amounts are to be deposited into the EATS Account of the Revenue Fund and (C) subject to annual appropriation by the City and **Section 602** hereof, all Net Revenues as of the last date of the preceding month consisting of City's Supplemental TIF Revenue accompanied by written notice identifying the Net Revenues as Supplemental TIF Revenue and directing the Trustee that such amounts are to be deposited into the City's Supplemental TIF Revenue Account. The Trustee shall notify the City and the Placement Agent if the Trustee has not received such Net Revenues on or before the 12th calendar day of each month (or the next Business Day thereafter if the 12th day is not a Business Day), or if any funds are received without the required notice related thereto directing the deposit of such funds into the appropriate account of the Revenue Fund.

(d) Any CID Revenues collected by or on behalf of the District, and transferred to the Trustee by the District or the City pursuant to the CID Agreement and as provided herein on or before the tenth day of each month (or the next Business Day thereafter if the tenth day is not a Business Day) and accompanied by written notice identifying such amounts as CID Revenues shall be deposited into the CID Account in the Revenue Fund. The Trustee shall notify the City, the District and the Placement Agent if the Trustee has not received such Net Revenues or before the 12th calendar day of each month (or the next Business Day thereafter if the 12th day is not a Business Day) , or if any funds are received without the required notice related thereto directing the deposit of such funds into the appropriate account of the Revenue Fund.

Section 402. Revenue Fund. Moneys in the Revenue Fund on the 40th day prior to each Payment Date (or at any time in the event of rebate payable to the United States of America) shall be applied by the Trustee to the extent necessary for the purposes and in the amounts as follows, drawing *first* on the PILOTS Account in the Revenue Fund, *second* on the EATS Account in the Revenue Fund, *third* on the City Supplemental TIF Revenue Account in the Revenue Fund and *fourth* on the CID Revenue Account in the Revenue Fund:

First, for transfer to the Rebate Fund when necessary, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the City in accordance with the Arbitrage Instructions and an amount equal to all fees, charges, advances and expenses related to the calculations necessary to determine the amount of rebate, if any, that may be due and payable;

Second, for payment to the Trustee or any Paying Agent, an amount sufficient for payment of any fees and expenses which are due and owing to the Trustee or any Paying Agent (except as otherwise provided herein, not to exceed \$4,500 per Fiscal Year), upon approval by the City of an invoice received for such amounts;

Third, for payment to the City of an amount sufficient for payment of any fees and expenses that may be owing pursuant to **Section 609** and **Section 610** hereof, upon delivery to the Trustee of a written request (which shall be accompanied by an invoice) for such amounts;

Fourth, for transfer to the Bond Payment Account in the Debt Service Fund (taking into account moneys on deposit in the Capitalized Interest Account of the Project Fund) an amount sufficient to pay the interest on the Bonds on the next two succeeding Payment Dates;

Fifth, for transfer to the Bond Payment Account in the Debt Service Fund an amount sufficient to pay the principal of and premium, if any, due on the Bonds by their terms on the next two succeeding Payment Dates;

Sixth, for deposit to the Debt Service Reserve Fund until the Debt Service Reserve Fund has been funded or restored in an amount equal to the Debt Service Reserve Requirement;

Seventh, for transfer to the Redemption Account of the Debt Service Fund, all remaining funds to redeem Bonds pursuant to the Special Mandatory Redemption provisions contained in **Section 302(b)** of this Indenture in Authorized Denominations which shall be applied to the payment of the principal of and accrued interest on all Bonds which are subject to redemption on the next succeeding Payment Date.

If necessary, on the Business Day prior to each Payment Date, drawing *first* on the PILOTS Account in the Revenue Fund, *second* on the EATS Account in the Revenue Fund, *third* on the City Supplemental TIF Revenue Account in the Revenue Fund and *fourth* on the CID Revenue Account in the Revenue Fund, the Trustee shall transfer to the Bond Payment Account in the Debt Service Fund an amount sufficient to pay the principal of or interest on the Bonds due on the next Payment Date.

For purposes of the transfers set forth above, the CID Revenues allocable to pay the Debt Service Requirements for the Bonds shall not exceed 20% of the Debt Service Requirements for the Bonds for each of the calendar years 2019 through 2037, and shall not exceed 24% of the cumulative Debt Service Requirements for the Bonds from the issuance date of the Bonds until the final maturity of the Bonds (or such other percentages as provided in writing by the City to the Trustee permitted by law based on amounts paid from the Project Fund and eligible for payment from the CID Revenues).

Section 403. Debt Service Fund.

(a) Except as otherwise provided herein, all amounts paid and credited to the Debt Service Fund shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same mature and become due or upon the redemption thereof.

(b) The City hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of and interest on the Bonds.

(c) The Trustee shall use any moneys remaining in the Debt Service Fund to redeem all or part of the Bonds Outstanding and interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by **Article III** hereof, so long as said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption. The Trustee, upon the written instructions from the City, signed by the Authorized City Representative, shall use moneys in the Redemption Account of the Debt Service Fund on a best efforts basis for the purchase of Bonds in the open market to the extent practical for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase.

(d) Except as provided in **Section 402**, if the moneys in the Debt Service Fund are insufficient to pay all accrued interest on the Bonds on any Payment Date, then such moneys shall be applied ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege, and any unpaid portion shall accrue to the next Payment Date, with

interest thereon at the rate or rates specified in the Bonds to the extent permitted by law. Except as provided in **Section 402**, if the moneys in the Debt Service Fund are insufficient to pay the principal of the Bonds on the maturity date thereof, then such moneys shall be applied ratably, according to the amounts of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(e) After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture), and the fees, charges and expenses of the Trustee and any Paying Agents and any other amounts required to be paid under this Indenture, all amounts remaining in the Debt Service Fund consisting of (i) Payments in Lieu of Taxes and Economic Activity Tax Revenues shall be paid to the City for deposit into the Special Allocation Fund, (ii) CID Revenues shall be paid to the District, and (iii) City's Supplemental TIF Revenue shall be paid to the City.

Section 404. Project Fund.

(a) Moneys in the Project Account of the Project Fund shall be disbursed by the Trustee from time to time, upon receipt of a written request of the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as **Exhibit B** hereto and otherwise substantially in such form, to pay, or reimburse the Developer for payment of, the costs of the Project as described on **Exhibit D**. Any moneys remaining on deposit in the Project Account in the Project Fund when the portion of the Project financed with the proceeds of the Bonds is completed, as stated in a certificate delivered by the Authorized City Representative to the Trustee, shall immediately be transferred by the Trustee to the Bond Payment Account in the Debt Service Fund.

(b) Moneys in the Cost of Issuance Account of the Project Fund shall be disbursed, from time to time by the Trustee, upon receipt of a written request of the City signed by the Authorized City Representative and containing the statements, representations and certifications set forth in the form of such request attached as **Exhibit B** hereto and otherwise substantially in such form, for the sole purpose of paying costs of issuance of the Bonds. Any moneys remaining in the Cost of Issuance Account of the Project Fund on April 1, 2017, shall be deposited, without further authorization, into the Project Account in the Project Fund.

(c) Moneys in the Capitalized Interest Account of the Project Fund shall be disbursed, from time to time by the Trustee without any further direction from the City, on each Payment Date to pay interest on the Bonds.

(d) In making payments and disbursements pursuant to this Section, the Trustee may rely upon the written requests and accompanying certificates and statements. The Trustee is not required to make any independent investigation or inspection in connection with the matters set forth in the written requests.

Section 405. Debt Service Reserve Fund. Except as otherwise provided in this Indenture, moneys in the Debt Service Reserve Fund shall be used by the Trustee without further authorization solely for the payment of the principal of and interest on the Bonds if moneys otherwise available for such purpose as provided in **Section 403** hereof are insufficient to pay the same as they become due and payable. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys

shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid. The amount on deposit in the Debt Service Reserve Fund shall be valued by the Trustee 45 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) and the Trustee shall give immediate written notice to the City if such amount is less than the Debt Service Reserve Requirement. For the purpose of determining the amount on deposit in the Debt Service Reserve Fund, the value of any investments shall be valued at their fair market value on the date of valuation. Moneys in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Requirement shall be deposited by the Trustee without further authorization in the Debt Service Fund.

Section 406. Rebate Fund.

(a) There shall be deposited by the Trustee in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions. Subject to the transfer provisions provided in subsection (b) below, all money at any time deposited in the Rebate Fund and any income earned thereon shall be held in trust, to the extent required to pay arbitrage rebate to the federal government of the United States of America, and neither the City, the District nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and by the Arbitrage Instructions (which is incorporated herein by reference).

(b) Pursuant to the Arbitrage Instructions, the Trustee, on behalf of the City, shall remit from the Rebate Fund rebate installments and the final rebate payments to the United States in accordance with the written direction of, or on behalf of, the City. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any arbitrage rebate, or provision made therefore, consisting of (i) Payments in Lieu of Taxes and Economic Activity Tax Revenues shall be paid to the City for deposit into the Special Allocation Fund, (ii) CID Revenues shall be paid to the District, and (iii) City's Supplemental TIF Revenue shall be paid to the City.

(c) Notwithstanding any other provision of this Indenture, including in particular this Article, the obligation to remit arbitrage rebate to the United States and to comply with all other requirements of this Section, the preceding Section and the Arbitrage Instructions shall survive the defeasance or payment in full of the Bonds.

Section 407. Non-Presentation of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, and provided the Trustee is holding sufficient funds for the payment thereof, all liability of the City to the Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on such Owner's part under this Indenture or on, or with respect to, said Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within one year after the date on which the same have become due shall be paid by the Trustee to the City without liability for interest thereon, free from the trusts created by this Indenture. Thereafter, Owners shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid by the Trustee. The City shall not be liable for any interest on the sums paid to it pursuant to this Section and shall not be regarded as a trustee of such money.

Section 408. Separation of Revenues.

(a) The Trustee shall establish separate subaccounts within the Funds and Accounts or otherwise segregate moneys within such Funds and Accounts, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient, to separately account for the CID Revenues consistent with the purposes for which the CID Revenues are authorized.

(b) In making the allocations and transfers of funds provided herein, the City's Supplemental TIF Revenue and the moneys on deposit in the City's Supplemental TIF Revenue Account of the Revenue Fund shall be used for deposit into a separate subaccount in the various Funds to be used as set forth in **Section 402**.

ARTICLE V

SECURITY FOR DEPOSITS AND INVESTMENT OF MONEYS

Section 501. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and, until used or applied as herein provided, shall (except for the Rebate Fund) constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except as otherwise provided herein.

Section 502. Investment of Moneys.

(a) Moneys in all funds and accounts under any provision of this Indenture shall be continuously invested and reinvested by the Trustee in Investment Securities at the written direction of the City given by the Authorized City Representative or, if such written directions are not received, then in Investment Securities described in subparagraph (f) of the definition thereof. Moneys on deposit in all funds and accounts may be invested only in Investment Securities which mature or are subject to redemption at the option of the owner thereof prior to the date such funds are expected to be needed. The Trustee may make investments through its investment division or short-term investment department.

(b) All investments and the interest earnings or profit therefrom shall constitute a part of the fund or account from which the moneys used to acquire such investments have come. The Trustee shall sell and reduce to cash a sufficient amount of investments in a fund or account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of this Indenture. In determining the balance in any fund or account, investments shall be valued at the lower of their original cost or their fair market value on the most recent Payment Date, except as otherwise provided in **Section 405** hereof. The Trustee shall not be liable for any loss resulting from any investment made in accordance herewith.

ARTICLE VI

PARTICULAR COVENANTS AND PROVISIONS

Section 601. Authority to Issue Bonds and Execute Indenture. The City covenants that it is duly authorized under the laws of the State to execute and deliver this Indenture, to issue the Bonds and to

pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the City according to the import thereof.

Section 602. Covenant to Request Appropriations.

Annual Appropriation. The City intends, on or before the last day of each Fiscal Year, to budget and appropriate moneys constituting Economic Activity Tax Revenues and City's Supplemental TIF Revenue to the repayment of the principal of and interest on the Bonds for that Fiscal Year. The City shall deliver written notice to the Trustee no later than 15 days after the commencement of its Fiscal Year stating whether or not the City Council has appropriated such funds during such Fiscal Year. If the City Council shall have made the appropriation, the failure of the City to deliver the foregoing notice on or before the 15th day after the commencement of its Fiscal Year shall not constitute an event of default and, on failure to receive such notice 15 days after the commencement of the City's Fiscal Year, the Trustee shall request the City confirm in writing whether or not such appropriation has been made.

Payments to Constitute Current Expenses of the City. The City acknowledges that the application of Economic Activity Tax Revenues and City's Supplemental TIF Revenue under this Indenture shall constitute currently budgeted expenditures of the City, and shall not in any way be construed or interpreted as creating a liability or a general obligation or debt of the City in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City or a limitation on the expenditure of the City's Supplemental TIF Revenue as provided in **Section 402** herein, nor shall anything contained in this Indenture constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City's obligations to apply Economic Activity Tax Revenues and to pay City's Supplemental TIF Revenue under the Indenture shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the then current Fiscal Year. Neither this Indenture nor the issuance of the Bonds shall directly or indirectly obligate the City to levy or pledge any form of taxation or make any appropriation or make any payments beyond those appropriated for the City's then current Fiscal Year in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City or a limitation on the expenditure of the City's Supplemental TIF Revenue as provided in **Section 402** herein, but in each Fiscal Year Economic Activity Tax Revenues and City's Supplemental TIF Revenue shall be payable solely from the amounts budgeted or appropriated therefor by the City, for such year; provided, however, that nothing in this Indenture shall be construed to limit the rights of the owners of the Bonds or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to this Indenture.

Section 603. Performance of Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 604. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described. The Redevelopment Agreement, the CID Agreement and all other documents or instruments required by the Trustee shall be delivered to and held by the Trustee.

Section 605. General Limitation on City Obligations. ANY OTHER TERM OR PROVISION OF THIS INDENTURE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTION WHICH IS THE SUBJECT HEREOF TO THE CONTRARY NOTWITHSTANDING, THE CITY SHALL NOT BE REQUIRED TO TAKE OR OMIT TO TAKE, OR REQUIRE ANY OTHER PERSON OR ENTITY TO TAKE OR OMIT TO TAKE, ANY ACTION WHICH WOULD CAUSE IT OR ANY PERSON OR ENTITY TO BE, OR RESULT IN IT OR ANY PERSON OR ENTITY BEING, IN VIOLATION OF ANY LAW OF THE STATE.

Section 606. Recording and Filing. The City shall file or cause to be kept and filed all financing statements, and the Trustee shall file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture and all supplements hereto and such other documents as may be necessary to be kept and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder. The City hereby authorizes the filing of uniform commercial code financing statements to reflect the security interests granted hereby. In carrying out its duties under this Section, the Trustee shall be entitled to rely on an Opinion of Counsel specifying what actions are required to comply with this Section.

Section 607. Possession and Inspection of Books and Documents. The City and the Trustee covenant and agree that all books and documents in their possession relating to the Bonds, the Special Allocation Fund, the Net Revenues and to the distribution of proceeds thereof shall at all reasonable times and upon reasonable notice be open to inspection by such accountants or other agencies or Persons as the other party may from time to time designate.

Section 608. Tax Covenants. The City and the Trustee covenant and agree with respect to the interest on any of the Bonds that is excluded from gross income for federal income tax purposes:

(a) The City shall not use or permit the use of any proceeds of the Bonds or any other funds of the City, and the Trustee shall not use any proceeds of the Bonds or any other funds of the City held by the Trustee, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City or the Trustee in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code, or “federally guaranteed” within the meaning of Section 149(b) of the Code. If at any time the City is of the opinion that for purposes of this subsection (a) it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee under this Indenture, the City shall so instruct the Trustee in writing and the Trustee shall act in accordance with such instructions. The City shall be deemed in compliance with this Section to the extent it follows the Arbitrage Instructions or an opinion of Bond Counsel with respect to the investment of funds hereunder. The Trustee shall be deemed in compliance with this Section to the extent it follows the written instructions of the City or an opinion of Bond Counsel with respect to the investment of funds hereunder.

(b) The City shall not (to the extent within its power or direction) use or permit the use of any proceeds of the Bonds or any other funds of the City, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Bonds being treated as other than an obligation described in Section 103(a) of the Code.

(c) The City will not (to the extent within its power or direction) use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141 (a) of the Code.

(d) The Trustee agrees to comply with any written letter or opinion of Bond Counsel which sets forth the requirements to comply with any statute, regulation or ruling that may apply to the Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Bonds.

(e) The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article IX** hereof or any other provision of this Indenture, until the final scheduled payment of all Bonds Outstanding.

Section 609. Collection of Payments. The City shall, at the expense of the Trust Estate, (a) take all lawful action within its control to cause the assessment of the real property and improvements within the Redevelopment Area, and the collection of Payments in Lieu of Taxes, at the times and in the manner required by the TIF Act, (b) take such lawful action within its control as may be required to cause the Director of Revenue of the State of Missouri and all other Persons to pay all Economic Activity Tax Revenues which are due to the City under the TIF Act, and (c) take all lawful action within its control to collect, or enforce all remedies to collect, the CID Revenues required to be paid by the District to the City pursuant to the CID Agreement.

Section 610. Enforcement of Agreements.

(a) The City shall enforce the provisions of the Financing Documents in such manner as the City deems prudent and advisable in its good faith discretion. The City may enforce all appropriate available remedies thereunder, including particularly any actual, agreed or liquidated damages for failure to perform under the Financing Documents, and shall transfer to the Trustee for deposit to the Revenue Fund all sums received on account of such damages.

(b) The City shall notify the Trustee in writing as to any material failure of performance under the Financing Documents, and at the time of such notification the City shall also advise the Trustee what action the City proposes to take in enforcing available remedies. If, in the sole judgment of the Trustee, such action is less likely to be effective than some other or additional action, the Trustee may so advise the City promptly in writing. If, within 30 days following advice by the Trustee that some additional or other action would be more effective, the City has not taken such other or additional action, and the Trustee has not, after consultation with the City, withdrawn such advice, upon receipt of indemnification satisfactory to it, the Trustee is hereby authorized to take such action, whether the action was suggested by the Trustee or otherwise, as the Trustee may deem most expedient and in the interest of the Owners of the Bonds. In furtherance of the rights granted to the Trustee by this Section, the City hereby assigns to the Trustee all of the rights it may have in the enforcement of the Financing Documents, further authorizing the Trustee in its own name or in the name of the City to bring such actions, employ such counsel, execute such documents and do such other things as may in the judgment of the Trustee be necessary or appropriate under the circumstance at the expense of the Trust Estate.

(c) The City shall not modify, amend or waive any provision of the Financing Documents without the prior written consent of the Trustee, whose consent may be based upon the advice or opinion of counsel. The Trustee may withhold its consent to any such proposed modification, amendment or waiver of the Financing Documents if the proposed modification, amendment or waiver may adversely affect the security for the Bonds or the interests of the Owners thereof or may adversely affect the exclusion of interest on any Bonds from gross income of the Owners thereof for federal income tax purposes for Bonds that were exempt from taxation for federal income tax purposes or as may impose additional duties on the Trustee that were not contemplated upon the original execution of this Indenture.

Section 611. Information to be Provided to Bondowners.

(a) The City shall promptly, and in any event within 180 days after the end of each Fiscal Year, provide to the Trustee the following information:

(i) Copies of the annual and five-year reports prepared by the City in accordance with the TIF Act; and

(ii) Copies of the annual audited financial statements of the City.

(b) Upon receipt of a written request from any Bondowner, the Trustee shall promptly forward such information to any Bondowner who requests such information at such Bondowner's expense.

Section 612. Monthly Report. The City shall provide to the Trustee, no later than the fifteenth day of each month, commencing January 15, 2017, a report of the Economic Activity Tax Revenues, Payments in Lieu of Taxes, City's Supplemental TIF Revenue and CID Revenues received by the City and transferred to the Trustee, which report shall be substantially in the form attached hereto as **Exhibit C**.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default in the performance or observance of any of the covenants, agreements or conditions on the part of the City in this Indenture or in the Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof has been given (i) to the City by the Trustee, or (ii) to the Trustee (which notice of default the Trustee shall be required to accept) and the City by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default is such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the City within such period and diligently pursued until the default is corrected; or

(b) The filing by the City of a voluntary petition in bankruptcy, or failure by the City to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of federal bankruptcy law, or under any similar acts which may hereafter be enacted.

(c) The failure to pay the principal of, redemption premium, if any, or interest on the Bonds when due.

The Trustee shall give written notice of any Event of Default to the City as promptly as practicable after the occurrence of an Event of Default of which the Trustee has notice as provided in **Section 801(h)** hereof.

Section 702. No Acceleration. The Bonds shall not in any event be subject to acceleration prior to maturity.

Section 703. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default has occurred and is continuing, the City, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the City pertaining thereto, and out of the same and any moneys received from any receiver of any part thereof pay and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including, but not limited to, (i) reasonable compensation to the Trustee, its agents and counsel, and (ii) any reasonable charges of the Trustee hereunder, and the Trustee shall apply the remainder of the moneys so received in accordance with **Section 708** hereof.

Whenever all that is due upon the Bonds has been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of the Trust Estate, the Trustee shall render annually to the City a summarized statement of receipts and expenditures in connection therewith.

Section 704. Appointment of Receivers in Event of Default. If an Event of Default has occurred and is continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 705. Exercise of Remedies by the Trustee. If an Event of Default has occurred and is continuing, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the City as herein set forth.

If an Event of Default has occurred and is continuing, and if requested so to do by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding and indemnified as provided in **Section 801(1)** hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, deems most expedient in the interests of the Owners; provided, however, that the Trustee shall not be required to take any action which in its good faith conclusion could result in personal liability to it.

All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owner, and any recovery or judgment shall, subject to **Section 708** hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 706. Limitation on Exercise of Remedies by Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or

for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless:

(i) a default has occurred of which the Trustee has notice as provided in **Section 801(h)** hereof, and

(ii) such default has become an Event of Default, and

(iii) the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in **Section 801(1)** hereof, and

(iv) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name;

and such notification, request and indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture, however, shall affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after its maturity or the obligation of the City to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner herein and in such Bond expressed.

Section 707. Right of Owners to Direct Proceedings. Any other provision herein to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith determines that the proceeding so directed would involve it in personal liability or the Trustee has not been indemnified as provided in **Section 801** hereof.

Section 708. Application of Moneys in Event of Default. Upon an Event of Default, all moneys held or received by the Trustee pursuant to this Indenture or the Financing Documents pursuant to any right given or action taken under this Article shall, after payment of the reasonable fees, costs, advances and expenses of the Trustee and the proceedings resulting in the collection of such moneys (including without limitation attorneys' fees and expenses), subject to the limitations contained in **Article IV** herein, be deposited in the Debt Service Fund. All moneys in the Debt Service Fund, the Debt Service Reserve Fund, the Project Fund and the Revenue Fund shall be applied as follows:

First – To the payment to the Owners entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable, with interest thereon at the rate or rates specified in the

respective Bonds to the extent permitted by law, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege.

Second – To the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds that have become due and payable (other than Bonds called for redemption for the payment of which moneys or securities are held pursuant to this Indenture), in the order of their due dates, and, if the amount available is not sufficient to pay in full such principal due on any particular date, together with such interest, then to the payment ratably, according to the amounts of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future.

For purposes of the transfers set forth above, the CID Revenues allocable to pay the Debt Service Requirements for the Bonds shall not exceed 20% of the Debt Service Requirements for the Bonds for each of the calendar years 2019 through 2037, and shall not exceed 24% of the cumulative Debt Service Requirements for the Bonds from the issuance date of the Bonds until the final maturity of the Bonds (or such other percentages as provided in writing by the City to the Trustee permitted by law based on amounts paid from the Project Fund and eligible for payment from the CID Revenues).

Section 709. Remedies Cumulative. No remedy conferred by this Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

Section 710. Delay or Omission Not Waiver. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Section 711. Effect of Discontinuance of Proceedings. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then the City, the Trustee, the District and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 712. Waivers of Events of Default. The Trustee shall waive any Event of Default and its consequences upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, except a default

- (a) in the payment of the principal of (or premium, if any) or interest on any Bond,
- or

- (b) in respect of a covenant or provision hereof which under **Article X** cannot be modified or amended without the consent of the owner of each Outstanding Bond affected.

In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee, the District and the Owners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

ARTICLE VIII

THE TRUSTEE

Section 801. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

- (a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person under reasonably similar circumstances would exercise or use under the circumstances in the conduct of such person's own affairs.

- (b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, receivers, employees or such other professionals but shall not be answerable for the conduct of the same in accordance with the standard specified above, provided the Trustee has exercised reasonable care in making such selection. The Trustee may act and conclusively rely upon the opinion or advice of counsel, who may, without limitation, be counsel to the City or an employee of the Trustee, concerning all matters of trust hereof and the duties hereunder, and, subject to the restrictions of **Section 802** hereof, may in all cases pay such reasonable compensation to all such agents, attorneys, receivers, employees and other such professionals as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith and shall be fully protected in reliance upon such opinion or advice of counsel.

- (c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or for the recording, re-recording or filing of this Indenture or any security agreements in connection therewith (except as provided in **Section 606** herein), or for insuring any of the improvements constructed in the Redevelopment Area or collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any or instruments of further assurance, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with **Article V** hereof. The Trustee makes no representations as to the value or condition of the Trust Estate or

any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the City of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder. The Trustee, in its individual or any other capacity, may become the owner of Bonds with the same rights which it would have if it were not Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture believed by it to be genuine and correct and to have been signed, presented or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to and in accordance with this Indenture upon the request or authority or consent of any Person who, at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefore or upon transfer or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee deems it desirable that a matter be proven or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by an Authorized City Representative, an Authorized District Representative or Authorized Developer Representative as sufficient evidence of the facts therein contained. Prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice of any default or Event of Default, other than a failure to make any payment on the Bonds when due, unless the Trustee is specifically notified in writing of such Event of Default by the City or by the Owners of at least 10% in aggregate principal amount of all Bonds then Outstanding.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all of the Project, the Redevelopment Area, including all books, papers and records of the City or the District pertaining to the Bonds, and to take copies of such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(k) The Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any funds, or any action whatsoever within

the purview of this Indenture, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee as are deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any funds or the taking of any other action by the Trustee.

(l) Anything herein to the contrary notwithstanding, before taking any action under this Indenture, other than any action under **Article II** hereof concerning the payment of principal and interest on the Bonds, declaring an Event of Default and accelerating the maturity of the Bonds, the Trustee may, in its discretion, require that satisfactory indemnity be furnished to it by the Owners or other parties for the reimbursement of all reasonable fees, costs, liabilities, losses, claims and expenses to which it or its agents or counsel may be put and to protect it against all liability including environmental, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except as provided herein.

(n) The Trustee may elect not to proceed in accordance with the directions of the Owners of the Bonds without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in environmental or other liability to the Trustee, in its individual capacity, for which the Trustee has not received indemnity from the Owners, and the Trustee may rely upon an Opinion of Counsel addressed to the Trustee in determining whether any action directed by Owners may result in such liability.

(o) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, and protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Registrar or Paying Agent.

(p) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its directors, officers or employees unless it is established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) subject to subsection (1) above, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial or environmental liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(v) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 802. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) by the City for its ordinary services rendered hereunder and all agent and counsel fees and other ordinary costs and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, if it becomes necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefore and to reimbursement for reasonable and necessary extraordinary costs and expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefore. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and as Registrar for the Bonds. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred. If moneys in the Revenue Fund are insufficient to make payment to the Trustee for its fees and expenses, as provided in subparagraph *Second* of **Section 402** on any Payment Date, the unpaid portion shall be carried forward to the next Payment Date, together with interest thereon at the Trustee's base lending rate plus 2%.

Section 803. Notice of Default. If a default or Event of Default occurs of which the Trustee is required to take notice or notice is given to the Trustee as provided in **Section 801(h)** hereof, then the Trustee shall give written notice thereof to the City and within 30 days (five Business Days if the maturity of the Bonds has been accelerated pursuant to **Section 702** hereof) by first class mail to the Owners of all Bonds then Outstanding as shown by the Register.

Section 804. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by the Owners of at least 25% in the aggregate principal amount of Bonds then Outstanding, provided that the Trustee shall first have been provided indemnity provided under **Section 801(l)** hereof as it may require against the reasonable costs, expenses and liabilities which it may incur in or by reason of such proceeding, including without limitation attorneys' fees and expenses.

Section 805. Successor Trustee Upon Merger, Consolidation or Sale. Any corporation or association with or into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which the Trustee may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such corporation or association is otherwise eligible under **Section 808** hereof, shall be and become successor Trustee hereunder and shall be vested

with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 806. Resignation or Removal of Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the City and the Owners, and such resignation shall take effect upon the appointment of a successor Trustee pursuant to **Section 807** hereof. If at any time the Trustee ceases to be eligible in accordance with the provisions of this Indenture, it shall resign immediately in the manner provided in this Section. The Trustee may be removed for cause or without cause at any time by an instrument or concurrent instruments in writing delivered to the Trustee and the City and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. If no Event of Default has occurred and is continuing, or no condition exists which will become an Event of Default as provided in **Section 701(a)** hereof, the Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and the Owners and signed by the City. The City or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee. No resignation or removal of the Trustee shall become effective until a successor Trustee has accepted its appointment under **Section 809** hereof.

Section 807. Appointment of Successor Trustee. If the Trustee hereunder resigns or is removed, or otherwise becomes incapable of acting hereunder, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy the City, by an instrument executed and signed by the Authorized City Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee is appointed by the Owners in the manner above provided; and any such temporary Trustee so appointed by the City shall immediately and without further acts be superseded by the successor Trustee so appointed by such Owners. If a successor Trustee or a temporary Trustee has not been so appointed and accepted such appointment within 30 days of a notice of resignation or removal of the current Trustee, the retiring Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee to act until such time, if any, as a successor has so accepted its appointment. No resignation or removal of the Trustee shall become effective until a successor Trustee has accepted its appointment under **Section 809** hereof.

Section 808. Qualifications of Trustee and Successor Trustees. The Trustee and every successor Trustee appointed hereunder shall be a trust institution or commercial bank qualified to do business in the State, shall be in good standing and qualified to accept such trusts, shall be subject to examination by a federal or state bank regulatory authority, and shall have a reported capital and surplus of not less than \$50,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under this Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the City, by a guarantor with such combined capital and surplus. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this Section the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

Section 809. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor and the obligations of the predecessor Trustee hereunder shall cease and terminate; but such predecessor shall, nevertheless, on the written request of the City, and upon the payment of its

outstanding fees and expenses, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 810. Trust Estate May be Vested in Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Financing Documents, and in particular in case of the enforcement of either upon an Event of Default, or if the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) If the Trustee appoints an additional individual or institution as co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the City be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(d) If any co-trustee or separate trustee dies, becomes incapable of acting, resigns or is removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 811. Annual Statement. Unless providing statements more frequently, the Trustee shall render an annual statement for each Fiscal Year to the City and, if so requested and the expense thereof is paid, to any Owner requesting the same. The annual statement shall show in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and shall include a break-down of money deposited into each account of the Revenue Fund and the balance in any funds and accounts created by this Indenture as of the beginning and close of such accounting period.

Section 812. Paying Agents; Registrar; Appointment and Acceptance of Duties; Removal.

(a) The Trustee is hereby designated and agrees to act as Paying Agent and as Registrar for and in respect of the Bonds.

(b) The City may appoint one or more additional Paying Agents for the Bonds. Each Paying Agent other than the Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the City and the Trustee a written acceptance thereof. The City may remove any Paying Agent other than the Trustee and any successors thereto, and appoint a successor or successors thereto; provided that any such Paying Agent designated by the City shall continue to be a Paying Agent of the City for the purpose of paying the principal of and interest on the Bonds until the designation of a successor as such Paying Agent and acceptance by such successor of the appointment. Each Paying Agent is hereby authorized to pay or redeem Bonds when such Bonds are duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Trustee for cancellation.

(c) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the City and the Trustee. The Paying Agent may be removed by the City at any time by an instrument signed by the City and filed with the Paying Agent and the Trustee. In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

If the City fails to appoint a Paying Agent hereunder, or the Paying Agent resigns or is removed, or is dissolved, or if the property or affairs of the Paying Agent are taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the City has not appointed its successor as Paying Agent, the Trustee shall ipso facto be deemed to be the Paying Agent for all purposes of this Indenture until the appointment by the City of the Paying Agent or successor Paying Agent, as the case may be. The Trustee shall give each Owner notice by first-class mail of the appointment of a Paying Agent or successor Paying Agent other than the Trustee.

ARTICLE IX

SATISFACTION AND DISCHARGE OF THE INDENTURE

Section 901. Satisfaction and Discharge of the Indenture.

(a) When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 902** hereof, and provision also is made for paying all other sums payable hereunder, including the fees and expenses of the Trustee and the Paying Agents to the date of payment of the Bonds, then the right, title and interest of the Trustee under this Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City any property at the time subject to this Indenture which may then be in the Trustee's possession, except amounts in the Debt Service Fund required to be paid to the City under **Article IV** hereof, and except funds or securities in which such moneys are invested and held by the Trustee for the payment of the principal of and interest on the Bonds.

(b) The City is hereby authorized to accept a certificate of the Trustee stating that the whole amount of the principal and interest so due and payable upon all of the Bonds then Outstanding has been paid or provision for such payment has been made in accordance with **Section 902** hereof as evidence of

satisfaction of this Indenture, and upon receipt thereof the City shall cancel and erase the inscription of this Indenture from its records.

Section 902. Bonds Deemed to Be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal on such Bonds, plus premium, if any, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (1) has been made or caused to be made in accordance with the terms hereof, or (2) provision therefore has been made by depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) non-callable Government Securities maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and the Trustee shall have received an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such deposit of interest on any Bonds will not result in the interest on any Bonds then Outstanding and exempt from taxation for federal income tax purposes becoming subject to federal income taxes then in effect and that all conditions precedent to the satisfaction of this Indenture have been met. At such time as a Bond is deemed to be paid hereunder as aforesaid, such Bond shall no longer be secured by or be entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Securities.

(b) Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (2) of subsection (a) above shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption has been given in accordance with **Article III** hereof or irrevocable instructions have been given to the Trustee to give such notice.

(c) Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Government Securities set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds and interest thereon shall be applied to and be used solely for the payment of the particular Bonds and interest thereon with respect to which such moneys and Government Securities have been so set aside in trust.

(d) If the entire amount necessary to pay Outstanding Bonds has not been deposited with the Trustee, and the final payment to pay Outstanding Bonds is more than 90 days subsequent to such deposit, the Trustee shall receive a verification report of a firm of independent certified public accountants that the moneys and Government Securities deposited with the Trustee are sufficient to pay when due the principal or redemption price, if any, and interest on the Bonds on or prior to the applicable redemption or maturity date.

(e) Upon the payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture) and the fees, charges and expenses of the Trustee and any Paying Agents, and any other amounts required to be paid under this Indenture, all amounts remaining on deposit in the Funds consisting of the CID Revenues shall be paid to the District, all amounts remaining on deposit in the Funds consisting of the City's Supplemental TIF Revenue shall be paid to the City and all other amounts remaining on deposit in the Funds shall be paid to the City for deposit into the Special Allocation Fund.

ARTICLE X

SUPPLEMENTAL FINANCING DOCUMENTS

Section 1001. Supplemental Financing Documents Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such supplements to the Financing Documents as are not inconsistent with the terms and provisions hereof, for any one or more of the following proposes:

(a) to cure any ambiguity or formal defect or omission in any Financing Document or to release property which was included by reason of an error or other mistake;

(b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;

(c) to subject to any Financing Document additional revenues, properties or collateral;

(d) to modify, amend or supplement the Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(e) to provide for the refunding of any Bonds in accordance with the terms hereof;

(f) to evidence the appointment of a separate trustee or the succession of a new trustee hereunder;

(g) to modify or eliminate any of the terms of any Financing Documents; provided, however, that:

(1) such amendment to a Financing Document shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding issued prior to the execution of such amended Financing Document; and

(2) the Trustee may, in its discretion, decline to enter into any such amendment to a Financing Document which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative;

(h) to make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the security of the Owners. In exercising such judgment the Trustee may rely on an Opinion of Counsel.

Section 1002. Supplemental Financing Documents Requiring Consent of Owners. In addition to supplements to Financing Documents permitted by **Section 1001** hereof and subject to the terms and provisions contained in this Section, and not otherwise, with the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, the City and the Trustee may from time to time enter into such other amendment to the Financing Documents as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or

rescinding, in any particular, any of the terms or provisions contained in a Financing Document; provided, however, that nothing in this Section contained shall permit or be construed as permitting:

- (a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond or any change of the redemption date on any Bond;
- (b) a reduction in the principal amount, redemption premium or any interest payable on any Bond;
- (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds;
- (d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture; or
- (e) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

If at any time the City requests the Trustee to enter into any amendment to a Financing Document for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such amendment to be sent to each Owner. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as shall be prescribed by the City following the sending of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment as in this Section permitted and provided, the Financing Documents shall be and be deemed to be modified and amended in accordance therewith.

Section 1003. Opinion of Bond Counsel. Notwithstanding anything to the contrary in **Sections 1001 or 1002** hereof, before the City and the Trustee enter into any amendment to a Financing Document pursuant to **Sections 1001 or 1002** hereof, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Indenture, the TIF Act and the CID Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms and will not cause any Bonds then Outstanding and exempt from taxation for federal income tax purposes to become subject to federal income taxes then in effect.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1101. Consents and Other Instruments by Owners. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner,

shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument (other than the assignment of a Bond) may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Register. In all cases where Bonds are owned by persons other than the City, the Developer or an assignee of the City or the Developer, in determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by, or held by or for the account of, the City, the Developer or any affiliate or any Person controlling, controlled by or under common control with either of them, shall be disregarded and deemed not to be Outstanding under this Indenture.

Section 1102. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to or filed with the City or the Trustee if the same is duly mailed by registered or certified mail, postage pre-paid, return receipt requested, or sent by telegram, teletype or telex or other similar communication, or when given by telephone, confirmed by telephone, on the same day, addressed as follows, provided that notices to the Trustee shall be effective only upon receipt:

- (1) To the City at:
City of Blue Springs, Missouri
903 W. Main Street
Blue Springs, Missouri 64015
Attention: City Administrator
Telephone: (816) 228-0110
Facsimile: (816)
- (2) To the Trustee at:
UMB BANK, N.A.
1010 Grand Boulevard, 4th Floor
Kansas City, Missouri 64106
Attn: Corporate Trust Services
Telephone: (816) 860-3248
Facsimile: (816) 860-3029
- (3) To the Developer at:
- (4) To the District at:

(5) To the Owners at:

By first-class mail addressed to each of the Owners of all Bonds at the time Outstanding, as shown by the Register. Any notice so mailed to the Owners of the Bonds shall be deemed given at the time of mailing whether or not actually received by the Owners.

In the event of any notice to a party other than the City, a copy of said notice shall be provided to the City. The above parties may from time to time designate, by notice given hereunder to the other parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1103. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred and as otherwise provided in this Section, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are, except as otherwise provided in this Section, intended to be and are for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 1104. Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 1105. Business Days. If any date for the payment of principal of or interest on the Bonds or the taking of any other action hereunder is not a Business Day, then such payment shall be due, or such action shall be taken, on the first Business Day thereafter; provided, however, any interest that accrues on any unmatured or unredeemed Bonds from the due date shall be payable on the next succeeding Payment Date.

Section 1106. Immunity of Officers, Employees and Members of City. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the City, the governing body of the City, or of any successor public corporation, as such, either directly or through the City or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 1107. No Sale. The City covenants and agrees that, except as provided herein or in the Redevelopment Agreement, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the moneys subject to this Indenture.

Section 1108. Severability. If any provision of this Indenture is held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or

unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1109. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1110. Electronic Transaction. The parties agree that the transaction described herein may be conducted and related documents may be sent, received and stored by electronic means. In addition, the transaction described herein may be conducted and related documents may be sent, received and stored by electronic means, copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1111. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

IN WITNESS WHEREOF, the City of Blue Springs, Missouri has caused these presents to be signed in its name and behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, and to evidence its acceptance of the trusts hereby created, UMB BANK, N.A., has caused these presents to be signed in its name and behalf by its duty authorized officer, all as of the day and year first above written.

CITY OF BLUE SPRINGS, MISSOURI

[SEAL]

Mayor

ATTEST:

City Clerk

Indenture

UMB BANK, N.A., as Trustee

By _____
Title:

EXHIBIT A

(Form of Bonds)

THE TRANSFER OF THIS BOND IS SUBJECT TO RESTRICTIONS. THIS BOND MAY ONLY BE TRANSFERRED TO APPROVED INVESTORS IN ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED IN THE INDENTURE.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the City or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered
No. R-___

Registered
\$_____

CITY OF BLUE SPRINGS, MISSOURI

**SPECIAL OBLIGATION REVENUE BOND
(WHITE OAK MARKETPLACE PROJECT)
SERIES 2016**

Rate of Interest:	Maturity Date:	Dated Date:	CUSIP No.
_____ %	May 1,	December __, 2016	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS.

The **CITY OF BLUE SPRINGS, MISSOURI**, a constitutional charter city and an incorporated political subdivision duly organized and validly existing under the Constitution and laws of the State of Missouri (the “City”), for value received, hereby promises to pay to the registered owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, and to pay interest thereon from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the Rate of Interest per annum shown above. Interest shall be payable semiannually on May 1 and November 1 in each year (each, an “Interest Payment Date”), beginning on May 1, 2017. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Indenture (as hereinafter defined). REFERENCE IS MADE TO THE INDENTURE AND THE REDEVELOPMENT AGREEMENT FOR A COMPLETE DESCRIPTION OF THE CITY OBLIGATIONS HEREUNDER.

The principal of this Bond shall be paid at maturity or upon earlier redemption to the Person in whose name this Bond is registered on the Register at the maturity or redemption date thereof. The interest payable on this Bond on any Payment Date shall be paid by UMB BANK, N.A., Kansas City, Missouri (the "Trustee") to the person in whose name this Bond is registered on the Register at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Payment Date. Such interest shall be payable (a) by check or draft mailed by the Trustee to the address of such registered Owner shown on the Register or (b) in the case of an interest payment to any registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such registered Owner upon written notice given to the Trustee not less than 5 days prior to the Record Date for such interest and signed by such registered Owner, containing the electronic transfer instructions including the name of the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond is one of an authorized series of fully registered bonds of the City designated "City of Blue Springs, Missouri, Special Obligation Revenue Bonds (White Oak Marketplace Project), Series 2016," in the aggregate principal amount of \$9,265,000 (the "Bonds"). **The obligations of the City with respect to the application of Economic Activity Tax Revenues and Payments in Lieu of Taxes to the repayment of the Bonds terminate on November 16, 2037, whether or not the principal amount thereof or interest thereon has been paid in full.**

The Bonds are being issued pursuant to a Trust Indenture dated as of December 1, 2016, between the City and the Trustee (the "Indenture"), for the purpose of (a) financing certain Redevelopment Project Costs, (b) funding the debt service reserve fund, (c) funding capitalized interest on the Bonds, and (d) paying the costs of issuance of the Bonds, all under the authority of and in full compliance with the Constitution and laws of the State of Missouri.

The Bonds constitute special, limited obligations of the City payable as to principal, premium, if any, and interest solely from the Pledged Revenues and other moneys pledged thereto and held by the Trustee pursuant to the Indenture. The Bonds shall not constitute debts or liabilities of the City, the State of Missouri or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The Bonds are subject to redemption as follows:

(a) *Optional Redemption.* The Bonds are subject to optional redemption by the City in whole or in part at any time on or after May 1, 2027, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

(b) *Extraordinary Mandatory Redemption.*

(1) The Bonds maturing May 1, 2040 are subject to special mandatory redemption by the City in order of maturity on each May 1 commencing May 1, 2018, at the redemption price of 100% of the principal amount being redeemed, together with accrued interest thereon to the date

fixed for redemption, in an amount equal to the amount which is on deposit in the Redemption Account of the Debt Service Fund 40 days prior to each Payment Date (or if such date is not a Business Day, the immediately preceding Business Day).

(2) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the applicable account of the Debt Service Fund (and, with respect to the last series of Bonds Outstanding, the Debt Service Reserve Fund) are sufficient to redeem all of the Bonds of the applicable series at a redemption price of 100% of such Bonds Outstanding, together with accrued interest thereon to the date fixed for redemption.

(c) *Mandatory Redemption.* The Bonds maturing May 1, 2027 (the “Term Bonds”) will be subject to mandatory redemption and payment prior to maturity in the amounts and on the dates as set forth in the Indenture at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, such Bonds or portions of Bonds to be redeemed shall be selected in Authorized Denominations by the Trustee from such maturities and in such amounts as the City may determine.

Unless waived by any Owner of Bonds to be redeemed, official notice of any redemption of any Bond shall be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Register.

The City, the Tax Increment Financing Commission of the City of Blue Springs, Missouri, the commissioners of said Commission, the elected officials, officers and employees of the City and any person executing the Bonds shall not be personally liable for such obligations by reason of the issuance thereof.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof.

This Bond may be transferred or exchanged, as provided in the Indenture, only upon the books for the registration, transfer and exchange thereof (the “Register”) kept by the Trustee, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or the registered Owner’s duly authorized agent, whereupon a new Bond of the same series and maturity and in the same principal amount outstanding as the Bond which was presented for transfer or exchange shall be issued to the transferee in exchange therefore as provided in the Indenture, and upon payment of the charges therein prescribed. The City and the Trustee may deem and treat the Person in whose name this Bond is registered on the Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Bonds may only be purchased by or transferred to Approved Investors. No such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner has delivered to the City and the Trustee written notice thereof that discloses the name and address of the purchaser or transferee and such assignment, transfer or conveyance shall be made only upon receipt by the Trustee of a letter in substantially the form attached to the Indenture executed by the proposed purchaser or transferee.

This Bond shall not be valid or binding on the City or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon has been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the **CITY OF BLUE SPRINGS, MISSOURI** has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal to be affixed or imprinted hereon, and this Bond to be dated as of the Dated Date shown above.

Registration Date: _____

CITY OF BLUE SPRINGS, MISSOURI

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

By: _____
Mayor

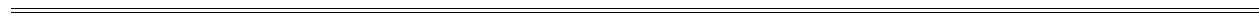
UMB BANK, N.A.,
as Trustee

(SEAL)

ATTEST:

By: _____
Authorized Signatory

By: _____
City Clerk



ASSIGNMENT

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

(Print or Type Name, Address and Social Security Number or other Taxpayer Identification Number of Transferee)

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

Dated: _____.

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

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By _____
Title:

NOTICE: Signatures) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

EXHIBIT B

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FROM THE
PROJECT FUND – CITY OF BLUE SPRINGS MISSOURI,
SPECIAL OBLIGATION REVENUE BONDS (WHITE OAK
MARKETPLACE PROJECT), SERIES 2016**

To: UMB BANK, N.A., as Trustee
Kansas City, Missouri
Attention: Corporate Trust Department

as Trustee under the Indenture of Trust, dated as of December 1, 2016, from the City of Blue Springs, Missouri to said Trustee (the “Indenture”)

Pursuant to **Section 404** of the Indenture, the City of Blue Springs, Missouri (the “City”) requests payment from the _____ Account in the Project Fund in accordance with this request and said **Section 404** and hereby states and certifies as follows:

1. The date and number of this request are as set forth above.
2. All terms in this request shall have and are used with the meanings specified in the Indenture.
3. The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on Attachment I hereto.
4. These costs have been incurred and are presently due and payable and are reasonable costs that are payable or reimbursable under the Indenture and each item thereof is a proper charge against the _____ Account in the Project Fund.
5. Each item listed above has not previously been paid or reimbursed from moneys in the _____ Account in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Trustee under the provisions of the Indenture or reimbursed from Bond proceeds.

CITY OF BLUE SPRINGS, MISSOURI

By: _____
Authorized City Representative

**ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT FROM
THE PROJECT FUND – CITY OF BLUE SPRINGS MISSOURI,
SPECIAL OBLIGATION REVENUE BONDS
(WHITE OAK MARKETPLACE PROJECT) , SERIES 2016**

REQUEST NO. _____

DATED _____, ____

SCHEDULE OF PAYMENTS REQUESTED

Person, firm or corporation to whom payment is due	Amount to be paid	General classification and description of the costs for which the Obligation to be paid was incurred
---	----------------------	---

EXHIBIT C

[Date]

UMB BANK, N.A.
 1010 Grand Blvd, 4th Floor
 Kansas City, Missouri 64106
 Attention: Corporate Trust Department

UMB Bank, N.A.
 1010 Grand Blvd.
 Kansas City, Missouri
 Attention: Phil Richter

Re: Special Obligation Revenue Bonds (White Oak Marketplace Project), Series 2016

Ladies and Gentlemen:

Please be advised that during the month of _____, [year], the City of Blue Springs, Missouri received the following Economic Activity Tax Revenues attributable to the following sources to be deposited into the EATS Account of the Revenue Fund:

		<u>Percentage of Total</u>
Jackson County		
General	\$ _____	_____%
COMBAT	\$ _____	_____%
Zoological District	\$ _____	_____%
Blue Springs		
General	\$ _____	_____%
Public Safety	\$ _____	_____%
Transportation	\$ _____	_____%
Central Jackson County Fire District	\$ _____	_____%
 Total EATS:	 \$ _____	

During such period, the City of Blue Springs, Missouri received the following Payments in Lieu of Taxes from property owners within the Redevelopment Area to be deposited into the PILOTS Account of the Revenue Fund:

<u>Taxpayer</u>	<u>Payments in Lieu of Taxes</u>	<u>Percentage of Total</u>
	\$ _____	_____%
 Total PILOTS:	 \$ _____	

During such period, the City of Blue Springs, Missouri, received the following CID Revenues to be deposited into the CID Account in the Revenue Fund: \$ _____. Permitted percentage of CID Revenues (____%) \$ _____

During such period, the City of Blue Springs, Missouri, received the following City's Supplemental TIF Revenue to be deposited into the City's Supplemental TIF Revenue Account: \$ _____.

From the Total PILOTS, the City has retained the following amounts pursuant to the Indenture:

Fire District PILOTS Reimbursement: \$ _____
School District PILOTS Reimbursement: \$ _____

From the CID Revenues, the City has retained \$ _____ as the City's 1.0% administrative fee and \$ _____ as District Operating Expenses, pursuant to the Financing Agreement and the CID Agreement.

From the Payments in Lieu of Taxes and Economic Activity Tax Revenues, the City has retained \$ _____ as the City Administrative Fee, consisting of \$ _____ as 1.0% of the Payments in Lieu of Taxes and Economic Activity Tax Revenues collected by the City (excluding the portion of the Economic Activity Tax Revenues so collected that is generated by the sales tax imposed by the District) and \$ _____ as City Administrative Expenses.

All moneys so received, totaling \$ _____, have been transferred to UMB BANK, N.A., as Trustee (the "Trustee") under the Trust Indenture dated as of December 1, 2016 between the Trustee and the City of Blue Springs. All capitalized terms not defined herein shall have the meanings ascribed for them in said Indenture.

CITY OF BLUE SPRINGS, MISSOURI

By: _____
Title:

EXHIBIT D

**PROJECT DESCRIPTION AND
COSTS PAID WITH PROCEEDS OF BONDS**

The Project includes the construction of an approximately 85,000 square foot grocery store and approximately 19,250 square feet of additional commercial space as provided in the Redevelopment Agreement.

EXHIBIT E
FORM OF INVESTOR LETTER

City of Blue Springs, Missouri
Blue Springs, Missouri
ATTN: City Administrator

UMB Bank, N.A.
Kansas City, Missouri
ATTN: Corporate Trust Department

Re: Blue Springs, Missouri Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016

Ladies and Gentlemen:

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

1. The Investor understands that (a) the Bonds are being issued under and pursuant to a Trust Indenture dated as of December 1, 2016 (the “Indenture”), between the City of Blue Springs, Missouri (the “Issuer”) and UMB Bank, N.A., as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain revenues and receipts to be received by the Trustee as provided in the Indenture. Capitalized terms not defined herein have the meanings set forth in the Indenture.

2. The Investor understands that the Bonds are transferable only in the manner provided for in the Indenture and discussed below and warrants that it is acquiring the Bonds for its own account with the intent of holding the Bonds as an investment, and the acquisition of the Bonds is not made with a view toward its distribution or for the purpose of offering, selling or otherwise participating in a distribution of the Bonds. The Investor is an Approved Investor as defined in the Indenture.

3. The Investor agrees not to attempt to offer, sell, or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture.

4. The Investor has been provided (a) such information as the Investor deems necessary to make an informed investment decision with respect to the purchase of the Bonds, (b) ample opportunity to ask questions of, and to receive answers from, appropriate officers of the City, the Developer and others related to the Project, the Redevelopment Plan and the terms and conditions of the Bonds, and (c) all additional information which it has requested.

5. The Investor is familiar with the Project and fully aware of terms and risks of the Bonds. The Investor believes the Bonds that it is acquiring are a security of the kind that it wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program. The Investor is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

Dated: _____

Investor Name: _____

Address: _____

Phone: _____

By: _____

Title: _____

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APPENDIX A-2
FORM OF THE FINANCING AGREEMENT

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FINANCING AGREEMENT
BETWEEN THE
WHITE OAK COMMUNITY IMPROVEMENT DISTRICT
AND THE
CITY OF BLUE SPRINGS, MISSOURI

DATED AS OF DECEMBER 1, 2016

RELATING TO

\$9,265,000
SPECIAL OBLIGATION REVENUE BONDS
(WHITE OAK MARKETPLACE PROJECT)
SERIES 2016

FINANCING AGREEMENT

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FINANCING AGREEMENT

This **FINANCING AGREEMENT** (the “Financing Agreement”) is dated as of December 1, 2016 between the **WHITE OAK COMMUNITY IMPROVEMENT DISTRICT**, a community improvement district and political subdivision of the State of Missouri (the “District”) and the **CITY OF BLUE SPRINGS, MISSOURI**, a constitutional charter city and political subdivision of the State of Missouri (the “City”).

RECITALS:

1. The City is authorized and empowered under its Charter and the Revised Statutes of Missouri, as amended, to issue bonds for the purpose of providing funds to finance the costs of certain redevelopment projects and to pay certain costs related to the issuance of such bonds.

2. A plan for redevelopment known as the “White Oak Tax Increment Financing Plan” (the “Redevelopment Plan”) for an area designated therein as the redevelopment area (the “Redevelopment Area”), as legally described in the Redevelopment Plan, has been prepared and reviewed by the Tax Increment Financing Commission of Blue Springs, Missouri (the “Commission”) and the City, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the “TIF Act”).

3. On November 17, 2014, the City Council adopted Ordinance No. 4519 , (i) approving the Redevelopment Plan and finding the Redevelopment Area to be a “blighted area” within the meaning of the TIF Act, (ii) designating Development Associates, LLC, a Missouri limited liability company (the “Developer”), as the developer to implement the Redevelopment Projects of the Redevelopment Plan (as therein defined), and (iii) authorizing the execution and delivery of a contract (the “Redevelopment Agreement”) between the City and the Developer.

4. On November 17, 2014, the City Council adopted Ordinance No. 4520 and Ordinance No. 4521 which approved and designated an area (“Redevelopment Project”) within the Redevelopment Area for redevelopment and adopted tax increment financing for the Redevelopment Project.

5. The White Oak Community Improvement District (the “District”) is authorized and empowered under the Missouri Community Improvement District Act, Sections 67.1401 through 67.1571 of the Revised Statutes of Missouri, as amended (the “CID Act”), to fund, promote, plan, design, construct, improve, maintain, and operate certain improvements, or to assist in any such activity. Pursuant to the CID Act, Ordinance No. 4523 was approved by the City Council creating the District for the purpose of funding certain improvements and services (the “CID Project”). The voters of the District have approved the imposition of a sales tax at the rate of 1.0% for the purpose of paying the cost of the CID Project and financing the costs of formation and operation of the District.

6. The City has determined that it is in the best interests of the City to issue its Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016, in the aggregate principal amount of \$9,265,000 (the “Bonds”), for the purpose of (a) financing certain Redevelopment Project Costs, (b) funding a debt service reserve for the Bonds, (c) funding capitalized interest on the Bonds, and (d) paying the costs of issuance of the Bonds.

7. On December 19, 2016, the City Council of the City adopted Ordinance No. _____ (the “Bond Ordinance”), authorizing the issuance of the Bonds for the above purposes.

8. Pursuant to the Bond Ordinance, the City is authorized to execute and deliver this Financing Agreement between the City and the District for the purpose of issuing and securing the Bonds as hereinafter provided.

9. The City and the District are entering into this Financing Agreement pursuant to which the City and the District will transfer certain funds to be used to pay debt service of the Bonds.

AGREEMENT:

NOW THEREFORE, for and in consideration of the premises and the mutual representations, covenants and agreements contained herein, the City and the District do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Unless the context requires otherwise, capitalized terms used in this Financing Agreement but not defined herein shall have the same meanings as set forth in **Section 101** of the Trust Indenture dated as of December 1, 2016 between the City and the Trustee, related to the Bonds.

ARTICLE II

THE DISTRICT

Section 2.1. Representations by the District. The District represents and warrants to the City and the Trustee as follows:

(a) The District is a community improvement district and political subdivision, duly organized and existing under the laws of the State of Missouri, including particularly the CID Act.

(b) The District has lawful power and authority to enter into, execute and deliver this Financing Agreement and to carry out its obligations hereunder. By proper action of its Board of Directors, the District has been duly authorized to execute and deliver this Financing Agreement, acting by and through its duly authorized officers.

(c) The execution and delivery of this Financing Agreement, the consummation of the transactions contemplated by this Financing Agreement and the performance of or compliance with the terms and conditions of this Financing Agreement by the District will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the District is a party or by which it or any of its property is bound, or by any of the constitutional or statutory laws, rules, regulations or orders applicable to the District or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District under the terms of any instrument or agreement to which the District is a party.

(d) There is no litigation or proceeding pending or threatened against the District or any other person affecting the right of the District to execute or deliver this Financing Agreement or the ability of the District to otherwise comply with the obligations under this Financing Agreement. Neither the execution and delivery of this Financing Agreement by the District, nor compliance by the District with its obligations under this Financing Agreement, require the approval of any regulatory body or any other entity, which approval has not been obtained.

(e) The District has duly completed all required proceedings and approvals in connection with the establishment of the District and the Project, and the imposition of the District Sales Taxes (defined below), all in accordance with the CID Act.

Section 2.2. Collection and Application of District Sales Taxes.

(a) The District hereby ratifies and confirms the establishment of an account held by the City (the "District Revenue Fund") into which all proceeds of the 1.0% sales tax imposed by the District on retail sales within the boundaries of the District (the "District Sales Taxes") are to be deposited. The District confirms that it has imposed the District Sales Taxes at the rate of 1.0% of retail sales. In no event while Bonds are Outstanding under the Indenture shall the District take any action to repeal or reduce the amount of District Sales Taxes imposed or enter into any agreements that would prohibit the District Sales Taxes from being generally applicable taxes. The District agrees and consents that a portion of the District Sales Taxes in the District Revenue Fund shall be considered Economic Activity Tax Revenues subject to deposit into the Special Allocation Fund in accordance with Section 99.845 of the Revised Statutes of Missouri, as amended.

(b) The District hereby authorizes and directs the City to perform all functions incident to the administration, collection, enforcement and operation of the District Sales Taxes or to provide for the performance of such functions by the Missouri Department of Revenue. The District shall direct the transfer of all proceeds of its District Sales Taxes that may lawfully be collected to the City for deposit into the District Revenue Fund, subject to the provisions in **Section 2.3** below. The District's Board of Directors may, in its sole discretion, direct the City in making investments of any or all of the moneys deposited in the District Revenue Fund in accordance with applicable laws relating to investment of the District's funds. In the absence of any direction for investments by the District, the City may invest moneys in the District Revenue Fund in accordance with applicable laws relating to the investment of the District's funds. All interest earned upon the balance in the District Revenue Fund shall be credited to the District Revenue Fund.

(c) The City, on behalf of the District, shall keep accurate records of the amount of District Sales Taxes collected and such records shall be open to the inspection of officers of the District, the Trustee, the Bondholders and the general public to the extent allowed under Missouri law.

(d) Subject to appropriation by the District, upon receipt of proceeds of the District Sales Taxes, the City shall transfer to the Economic Activity Tax Account of the City's Special Allocation Fund such amounts as are required to be deposited into the Special Allocation Fund pursuant to the TIF Act.

(e) Subject to appropriation by the District, on the 10th day (and if such day is not a Business Day, the next succeeding Business Day) of each calendar month during the term of this Financing Agreement, the District hereby directs the payment by the City to the Trustee of all remaining CID Revenues on deposit in the District Revenue Fund.

Section 2.3. Appropriation; Budget. The District has adopted a budget for the 2017 fiscal year which appropriates the District Sales Taxes collected during such fiscal year for application as provided in **Sections 2.2(d) and (e)**. The City, as the agent of the District charged with the responsibility of formulating budget proposals, hereby covenants and agrees to include in the budget proposal submitted to the District's Board of Directors for each fiscal year a request for an appropriation of the District Sales Taxes collected during such fiscal year for deposit in the Revenue Fund under the Indenture. The City, on behalf of the District, shall deliver written notice to the Trustee no later than 15 days after the commencement of each fiscal year of the District if the Board of Directors of the District has not appropriated funds in an amount equal to the District Sales Taxes received during such fiscal year. The parties hereto acknowledge and agree that the payment of District Sales Taxes to the Trustee shall constitute currently budgeted expenditures of the District and shall not in any way be construed or interpreted as creating a liability or a general obligation or debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the District. The District's obligations under this Financing Agreement shall be from year to year only, and shall not constitute a mandatory payment obligation of the District in any ensuing fiscal year beyond the then current fiscal year. If in any fiscal year the Board of Directors of the District fails to adopt a budget, the budget for the prior fiscal year shall continue. Any District Sales Taxes so appropriated are pledged by the District to payment of the Bonds and shall be transferred by the City to the Revenue Fund at the times and in the manner provided in the Indenture and in **Section 2.2(e)** herein.

Section 2.4. Records of the District. The City, on behalf of the District, shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business affairs of the District in accordance with accounting principles generally accepted in the United States of America, and the District will furnish to the City such information not otherwise available to the City as it may reasonably request concerning the District, including such statistical and other operating information requested on a periodic basis, in order to determine whether the covenants, terms and provisions of this Financing Agreement have been met. The City, on behalf of the District, will furnish to the Trustee annually by each December 31 a certificate of the Authorized District Representative to the effect that during the preceding fiscal year the District complied with the terms, covenants and provisions of this Financing Agreement and such information as the Trustee may reasonably request concerning the District Sales Taxes, including such statistical and other operating information requested, in order to enable such parties to determine whether the covenants, terms and provisions of this Financing Agreement have been complied with. For that purpose all pertinent books, documents and vouchers relating to the Project, the District and its District Sales Taxes shall at all times during regular business hours be open to inspection.

Section 2.5. Budget and Reporting Requirements. The District (or the City on its behalf) shall comply with the budgetary and reporting requirements contained in the Revised Statutes of Missouri, including without limitation the following:

(a) The City, on behalf of the District, shall prepare and submit a proposed annual budget to the City in accordance with Section 67.1471.2 of the Revised Statutes of Missouri, as amended.

(b) The City, on behalf of the District, shall submit an annual report to the City Clerk and the Missouri Department of Economic Development in accordance with Section 67.1471.4 of the Revised Statutes of Missouri, as amended.

(c) The City, on behalf of the District, shall submit an annual financial report to the Missouri State Auditor in accordance with Section 105.145 of the Revised Statutes of Missouri, as amended.

Section 2.6. Administrative Fees and Operating Expenses.

(a) The City shall be entitled to retain from the District Sales Taxes the amount equal to 1.0% of the total District Sales Taxes collected by the City on behalf of the District (including the portion of such collections required to be deposited in the Special Allocation Fund), as payment for the City's services in the administration of the District and the collection of the District Sales Taxes pursuant to the CID Agreement.

(b) The City shall pay, or shall reimburse itself for the payment of, from that portion of the District Sales Taxes which is not required to be deposited in the Special Allocation Fund, the operating costs of the District described in the CID Agreement (the "District Operating Expenses"), as budgeted and approved by the District, provided that such amount shall not exceed \$15,000 for any fiscal year of the District.

(c) Promptly following the adoption of each annual budget by the Board of Directors of the District, the City, on behalf of the District, shall provide written notice to the Trustee of the amount of operating expenses of the District included in such budget so that the Trustee can determine the District Operating Expenses for such fiscal year in accordance with the provisions of the Indenture.

Section 2.7. Restriction on Transfer of District's Interests. The District will not sell, assign, transfer or convey its interests in the District Sales Taxes or this Financing Agreement except pursuant to this Financing Agreement. Other than the CID Agreement, the District will not enter into any tax-sharing agreement or other similar arrangement with respect to the District Sales Taxes and agrees that any additional financing of the costs of the Project for the District will be financed by the City.

Section 2.8. Indemnification. To the extent permitted by law, the District agrees to indemnify the City and any past, present or future elected official, trustee, officer, employee or agent of the City for and to hold them harmless against all liabilities, claims, costs and expenses incurred without negligence or willful misconduct on the part of the City or such past, present or future elected official, trustee, officer, employee or agent of the City, on account of any action taken or omitted to be taken by the City in accordance with the terms of this Financing Agreement, the Bonds or the Indenture or any action taken at the request of or with the consent of the District, including the costs and expenses of the City in defending itself against any such claim, action or proceeding brought in connection with the exercise or performance of any of its powers or duties under this Financing Agreement, the Bonds or the Indenture.

Section 2.9. Audit. The District will cause, at its expense, an annual audit of the District to be completed by a firm of certified public accountants and will, within 180 days of the end of the District's fiscal year (i) present such audit at a regular or special meeting at the District for approval by the District and (ii) cause to be delivered to the Trustee and the City a certificate of the firm of certified public accountants performing the audit to the effect that in the performance of its examination it discovered no failure on the part of the District to comply with the requirements of this Financing Agreement, or, if such failure to comply was noted, specifying the nature thereof.

ARTICLE III

THE CITY

Section 3.1. Representations by the City. The City represents and warrants to the Trustee and the District, as follows:

(a) The City (i) is a constitutional charter city duly organized and validly existing under the laws of the State of Missouri, (ii) has lawful power and authority to enter into, execute and deliver this Financing Agreement and to carry out its obligations hereunder, and (iii) by all necessary action has been duly authorized to execute and deliver this Financing Agreement, acting by and through its duly authorized officers.

(b) The execution and delivery of this Financing Agreement by the City will not conflict with or result in a breach of any of the terms of, or constitute a default under, any agreement or instrument to which the City is a party, or by any of the constitutional or statutory laws, rules or regulations applicable to the City.

(c) There is no litigation or proceeding pending or, to the knowledge of the City, threatened against the City or any other person affecting the right of the City to execute this Financing Agreement or to otherwise comply with the obligations under this Financing Agreement. Neither the execution and delivery of this Financing Agreement by the City, nor compliance by the City with its obligations under this Financing Agreement, require the approval of any regulatory body or any other entity, which approval has not been obtained.

(d) No elected official, officer or employee of the City has any significant or conflicting interest, financial or otherwise, in the Project or in the transactions contemplated hereby.

(e) The City has duly completed all required proceedings and approvals in connection with the execution and delivery of this Financing Agreement and the collection of Revenues hereunder, all in accordance with the TIF Act and the CID Act.

Section 3.2. Assignment by the City. The City, by means of the Indenture and as security for the payment of the principal of, and redemption premium, if any, and interest on the Bonds, will assign, pledge and grant a security interest in all of its rights, title and interests in, to and under this Financing Agreement to the Trustee for the benefit of the Owners (reserving its rights to payments owed to the City for its benefit).

Section 3.3. Restriction on Transfer of City's Interests. The City will not sell, assign, transfer or convey its interests in this Financing Agreement except pursuant to the Indenture and this Financing Agreement.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Events of Default Defined. The term "Event of Default" shall mean any one or more of the following events:

(a) Failure by the District or the City to timely transfer any Net Revenues to the City or the Trustee (as applicable), as provided herein.

(b) Failure to make any payment on the Bonds when due.

(c) Failure by the District or the City to observe and perform any covenant, condition or agreement under this Financing Agreement, the Indenture or any other document entered into in connection with the financing of the Project, other than as referred to in the preceding subparagraphs (a) and (b) of this Section, for a period of 30 days after written notice of such default has been given to the defaulting party, during which time such default is neither cured by the defaulting party nor waived in writing by the Trustee, provided that, if the failure stated in the notice cannot be corrected within said 30-day period, the Trustee may consent in writing to an extension of such time prior to its expiration if corrective action is instituted by the defaulting party within the 30-day period and diligently pursued to completion and if such consent, in the judgment of the Trustee, does not materially adversely affect the security of the Owners of the Bonds.

(d) Any representation or warranty by the District or the City herein or in any certificate or other instrument delivered under or pursuant to this Financing Agreement or the Indenture or in connection with the financing of the Project shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, unless waived in writing by the Trustee or cured by the defaulting party within 30 days after notice thereof has been given to the defaulting party.

Section 4.2. Remedies on an Event of Default. Whenever any Event of Default shall have occurred and be continuing, the Trustee, as the assignee of the City, shall give written notice to the defaulting party of such Event of Default and after five (5) Business Days after such notice, the Trustee may immediately proceed to take whatever other action at law or in equity is necessary and appropriate to exercise or to cause the exercise of the rights and powers set forth herein or in the Indenture, as may appear necessary or desirable to collect the amounts payable pursuant to this Financing Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant under this Financing Agreement or the Indenture.

Any amount collected pursuant to action taken under this Section shall be paid to the Trustee and applied, first, to the payment of any reasonable costs, expenses and fees incurred by the Trustee as a result of taking such action and, next, any balance shall be transferred to the Revenue Fund and applied in accordance with the Indenture and, then, to cure any other Event of Default.

Notwithstanding the foregoing, the Trustee shall not be obligated to take any step that in its opinion will or might cause it to expend time or money or otherwise incur liability, unless and until indemnity satisfactory to it has been furnished to the Trustee at no cost or expense to the Trustee, except as otherwise provided in **Section 801(I)** of the Indenture.

Section 4.3. No Remedy Exclusive. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 4.4. Agreement to Pay Attorneys' Fees and Expenses. In connection with any Event of Default, if the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements herein contained, the City and the District agree, should they be the defaulting party hereunder, subject to appropriation of funds, that they will, on demand therefor, pay to the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Trustee. In connection with any Event of Default, if the City employs attorneys or incurs other expenses for the enforcement of the performance or observance of any covenants or agreements herein contained, the District agrees that it will, to the extent it is the defaulting party or caused the City to be the defaulting party, on demand therefor, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City.

Section 4.5. Notice of an Event of Default. The parties hereto shall each promptly give to the Trustee written notice of any Event of Default of which they shall have actual knowledge or written notice, but the parties hereto shall not be liable for failing to give such notice.

Section 4.6. Remedial Rights Assigned to the Trustee. Upon the execution and delivery of the Indenture, the City will thereby have assigned to the Trustee all rights and remedies conferred upon or reserved to the City by this Financing Agreement, reserving only the City's rights to payments for its own benefit. The Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the City by this Financing Agreement in the same manner and to the same extent, but under the limitations and conditions imposed thereby and hereby. The Owners of the Bonds shall be deemed third party creditor beneficiaries of all representations, warranties, covenants and agreements contained herein.

ARTICLE V

MISCELLANEOUS

Section 5.1. Terms of Financing Agreement. This Financing Agreement shall be effective from and after its execution and delivery and shall continue in full force and effect until all of the principal of, redemption premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in the Indenture, and provision shall also be made for paying all other sums payable under the Indenture, including the fees, costs and expenses of the Trustee and the Paying Agent to the date of retirement of the Bonds.

Section 5.2. Notices. All written notices required by this Financing Agreement shall be in writing and shall be served either personally or by certified mail, or by any other delivery service which obtains a receipt for delivery unless any such notice required by law and such law provides a different form of delivery or service. Any such notice or demand served personally shall be delivered to the party being served (provided that such notice may be delivered to the receptionist or any other person apparently in charge of such party's office at its address hereinafter set forth), and shall be deemed complete upon the day of actual or attempted delivery, as shown by an affidavit of the person so delivering such notice. Any notice so served by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and addressed to the party or parties so to be served at its address hereinafter stated, and service of any such notice by certified mail shall be deemed complete on the date of actual or attempted delivery as shown by the certified mail receipt. Service of any such notice by another delivery service shall be deemed complete upon the date of actual or attempted delivery as shown on the receipt obtained by such delivery service. Notices shall be sent to the address provided in the Indenture.

Each party shall have the right to specify that notice be addressed to any other address by giving to the other parties ten (10) days written notice thereof.

Section 5.3. Performance Date Not a Business Day. If any date for the taking of any action hereunder is on a Saturday, Sunday or business holiday of the State, then such action shall be taken on the first Business Day thereafter with the same force and effect as if made on the date fixed for payment or performance.

Section 5.4. Binding Effect. This Financing Agreement shall inure to the benefit of and shall be binding upon the parties hereto, and their respective successors and assigns.

Section 5.5. Amendments, Changes and Modifications. This Financing Agreement may not be effectively amended, changed, modified, altered or terminated without the prior concurring written consent of all the parties hereto and compliance with the requirements of **Article X** of the Indenture.

Section 5.6. Execution in Counterparts. This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.7. No Pecuniary Liability. All covenants, obligations and agreements contained in this Financing Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future director, officer, agent or employee of the parties hereto in other than their official capacity. No provision hereof shall be construed to impose any personal or pecuniary liability upon any present or future director, officer, agent or employee of the parties hereto, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of this Financing Agreement and the issuance of the Bonds. With respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the City nor any of its directors, trustees, officers, officials, employees or agents shall be liable for any action taken by the City, or for any failure to take action, in accordance with the terms of this Financing Agreement.

Section 5.8. Entire Agreement. This Financing Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes and replaces any and all prior oral agreements or written agreements, arrangements, and understandings related thereto.

Section 5.9. Severability. If any provision of this Financing Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into or taken thereunder, or any application of such provision, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Financing Agreement or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Such illegality or invalidity of any application thereof shall not affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.10. Governing Law. This Financing Agreement shall be governed by and construed in accordance with the laws of the State.

Section 5.11. Electronic Transactions. The transaction described herein may be conducted and related documents may be stored, delivered and received by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[remainder of page intentionally left blank]

**WHITE OAK COMMUNITY
IMPROVEMENT DISTRICT**

By: _____
Chairman

(Seal)

ATTEST:

By: _____
Secretary

CITY OF BLUE SPRINGS, MISSOURI

By: _____
Mayor

(Seal)

ATTEST:

By: _____
City Clerk

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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APPENDIX B

FORM OF BOND COUNSEL OPINION



816-221-1000 MAIN
816-221-1018 FAX
GILMOREBELL.COM

GILMORE & BELL PC
2405 GRAND BOULEVARD, SUITE 1100
KANSAS CITY, MISSOURI 64108-2521

ST. LOUIS
WICHITA
OMAHA | LINCOLN

December 29, 2016

Mayor and City Council
Blue Springs, Missouri

UMB Bank, N.A., as placement agent
Kansas City, Missouri

UMB Bank, N.A., as Trustee
Kansas City, Missouri

Re: \$9,265,000 City of Blue Springs, Missouri Special Obligation Revenue Bonds (White Oak Marketplace Project), Series 2016

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Blue Springs, Missouri (the "City") of the above-captioned bonds (the "Bonds"), pursuant to a Trust Indenture dated as of December 1, 2016 (the "Indenture"), by and between the City and UMB Bank, N.A., as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Reference is made to the opinion of even date herewith of Polsinelli, PC, as counsel to the White Oak Community Improvement District (the "District") with respect to, among other matters, (a) the power of the District to enter into and perform its obligations under the Financing Agreement, and (b) the due authorization, execution and delivery of the Financing Agreement by the District and the binding effect and enforceability thereof against the District.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the

certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the City and are valid and legally binding special, limited obligations of the City, payable solely from the Net Revenues and Pledged Revenues and other moneys pledged thereto and held by the Trustee pursuant to the Indenture. The Bonds do not constitute a general obligation of the City nor do they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds.

2. The Indenture and the Financing Agreement have been duly authorized, executed and delivered by the City and constitute valid and legally binding agreements of the City enforceable against the City in accordance with the provisions thereof.

3. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Private Placement Memorandum or other offering material relating to the Bonds (except to the extent, if any, stated in the Private Placement Memorandum). Further, we express no opinion regarding the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Financing Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

APPENDIX C

FORM OF THE CONTINUING DISCLOSURE AGREEMENT

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of December 1, 2016 (the “**Continuing Disclosure Agreement**”), is executed and delivered by the **CITY OF BLUE SPRINGS, MISSOURI** (the “**Issuer**”), **DEVELOPMENT ASSOCIATES, LLC**, a Missouri limited liability company (the “**Developer**”), and **UMB BANK, N.A.**, a national banking association, as dissemination agent (the “**Dissemination Agent**”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the Issuer of \$9,265,000 aggregate principal amount of Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016 (the “**Series 2016 Bonds**”), pursuant to a Trust Indenture, dated as of December 1, 2016 (the “**Bond Indenture**”), between the Issuer and UMB Bank, N.A., as trustee (the “**Bond Trustee**”).

2. The Issuer, the Developer and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Series 2016 Bonds. The Issuer is entering into this Continuing Disclosure Agreement in order to assist the Participating Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The Issuer is the only “obligated person” with responsibility for continuing disclosure hereunder, but the Developer has agreed to undertake certain disclosure responsibilities pursuant to the terms of this Continuing Disclosure Agreement.

In consideration of the mutual covenants and agreements herein, the Issuer, the Developer, and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth elsewhere in this Continuing Disclosure Agreement and in the Bond Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this **Section**, the following capitalized terms shall have the following meanings:

“**Annual Report**” means, collectively, the Developer’s Annual Report and the Issuer’s Annual Report.

“**Annual Report Date**” means the last day of March of each year, commencing March 31, 2018.

“**Beneficial Owner**” means any registered owner of any Series 2016 Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2016 Bonds (including persons holding Series 2016 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2016 Bonds for federal income tax purposes.

“**Developer’s Annual Report**” means a document or set of documents, in substantially the form attached as **Exhibit B** hereto.

“**Dissemination Agent**” means UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Issuer’s Annual Report**” means a document or set of documents, in substantially the form attached as **Exhibit C** hereto, which contains updates to the following information:

- (a) the amount deposited into the following accounts of the Revenue Fund since the last Issuer’s Annual Report:
 - (i) Economic Activity Tax Revenues deposited to the EATS Account;
 - (ii) Payments in Lieu of Taxes deposited to the PILOTS Account;
 - (iii) City’s Supplemental TIF Revenues deposited to the City’s Supplemental TIF Revenue Account;
 - (iv) CID Revenues deposited to the CID Account; and
 - (v) any other amounts deposited to the Revenue Account;
- (b) the principal amount of Series 2016 Bonds redeemed (whether by optional redemption, special redemption or on maturity) since the last Issuer’s Annual Report; and
- (c) the aggregate principal amount of Series 2016 Bonds redeemed since the date of issuance of the Series 2016 Bonds and the outstanding principal amount of the Series 2016 Bonds.

“**Listed Events**” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means the original underwriter or placement agent of the Series 2016 Bonds required to comply with the Rule in connection with offering of the Series 2016 Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Dissemination Agent shall send notice, no later than January 1 of each year, commencing January 1, 2018, to the Issuer and the Developer of its obligation to provide the information required for the Annual Report.

(b) No later than five (5) Business Days prior to the Annual Report Date, the Developer shall provide to the Dissemination Agent the Developer’s Annual Report with instructions to file the Developer’s Annual Report, and the Issuer shall provide to the Dissemination Agent the Issuer’s Annual Report with instructions to file the Developer’s Annual Report.. Subject to the timely receipt of the Issuer’s Annual Report and Developer’s Annual Report, the Dissemination Agent shall provide the Annual Report to the MSRB no later than the Annual Report Date.

(c) The Dissemination Agent shall provide the Issuer and the Bond Trustee written confirmation that the Annual Report was provided to the MSRB in accordance with **Section 2(b)** of this Continuing Disclosure Agreement.

(d) If the Dissemination Agent shall not have received the Developer's Annual Report by the Annual Report Date but has received the Issuer's Annual Report, the Dissemination Agent shall (1) file the Issuer's Annual Report at the time specified in **Section 2(b)** of this Continuing Disclosure Agreement, and (2) notify the MSRB of the Developer's failure to provide the Developer's Annual Report within five (5) Business Days of the Annual Report Date, regardless of whether the Dissemination Agent has received the Annual Report during the period between the Annual Report Date and such fifth (5th) Business Day. Such notice shall be in substantially the form attached hereto as **Exhibit A**. If the Dissemination Agent shall not have received the Issuer's Annual Report by the Annual Report Date but has received the Developer's Annual Report, the Dissemination Agent shall (1) file the Developer's Annual Report at the time specified in **Section 2(b)** of this Continuing Disclosure Agreement, and (2) notify the MSRB of the Issuer's failure to provide the Issuer's Annual Report within five (5) Business Days of the Annual Report Date, regardless of whether the Dissemination Agent has received the Annual Report during the period between the Annual Report Date and such fifth (5th) Business Day. Such notice shall be in substantially the form attached hereto as **Exhibit A**.

(e) In addition to the foregoing requirements of this **Section**, the Dissemination Agent agrees, at the cost of the Issuer, to provide copies of the most recent Annual Report to any requesting bondowner or prospective bondowner, but only after the same have been delivered to the MSRB.

(f) The Issuer shall have no obligation under this Continuing Disclosure Agreement with respect to the provision or filing of the Developer's Annual Report. The Developer shall have no obligation with respect to the provision or filing of the Issuer's Annual Report or any other item required to be filed by the Issuer.

(g) The Developer further agrees to cause any purchaser or transferee of all or substantially all of the Developer's interest in the Redevelopment Project to execute and deliver to the Issuer and the Dissemination Agent a written acknowledgement and agreement to assume all obligations of the Developer hereunder. Following a sale or transfer of all or any part of the Redevelopment Project, the Developer shall provide notice of such sale or transfer to the Issuer and the Dissemination Agent, along with evidence that the related purchaser or transferee has assumed the obligations of the Developer under this Continuing Disclosure Agreement as set forth in this subsection (g) and the Developer's obligations under this Continuing Disclosure Agreement shall terminate. In the event the Developer (or any successor in ownership) fails to perform its obligations under this Continuing Disclosure Agreement, the sole remedy of the Issuer or any Beneficial Owner shall be an action to compel specific performance.

Section 3. Reporting of Listed Events.

(a) No later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Series 2016 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016 Bonds, or other material events affecting the tax status of the Series 2016 Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Series 2016 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Listed Event, contact the City Administrator, or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Issuer determines that the event does not constitute a Listed Event, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the Issuer. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Series 2016 Bonds pursuant to the Bond Indenture.

Section 4. Termination of Reporting Obligation. The Issuer's and Developer's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2016 Bonds. If the obligations of the Issuer or the Developer under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Issuer or the Developer, as applicable, and the Issuer or the Developer, as applicable, shall have no further responsibility

hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2016 Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under **Section 3** of this Continuing Disclosure Agreement.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including, without limitation, the Annual Report) prepared by the Issuer or the Developer pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is UMB Bank, N.A.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer and the Dissemination Agent with its written opinion that the agreement of the Issuer, the Developer and the Dissemination Agent contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement. Any such amendment or waiver that does not relate to the rights or obligations of the Developer under this Continuing Disclosure Agreement may be undertaken by the Issuer and the Dissemination Agent in accordance with this **Section** without the consent of the Developer.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Listed Event under **Section 3** of this Continuing Disclosure Agreement, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 8. Default. If the Issuer, the Developer or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Series 2016 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Bond Indenture or the Series 2016 Bonds, and the sole remedy under this Continuing Disclosure

Agreement in the event of any failure of the Issuer, the Developer or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by law, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability as it relates to the Issuer, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall not be responsible for the Developer's or Issuer's failure to submit a complete Annual Report to the MSRB. The Dissemination Agent is not responsible for ensuring the compliance with any rule or regulation of the Issuer or the Participating Underwriter in connection with the filings of information herein but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Issuer or Developer. The obligations of the Issuer under this **Section** shall survive resignation or removal of the Dissemination Agent and payment of the Series 2016 Bonds. The fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid in the same manner as the fees and expenses of the trustee as provided in the Bond Indenture.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Issuer: City of Blue Springs, Missouri
903 West Main Street
Blue Springs, Missouri 64015
Attention: City Administrator
Telephone: (816) 228-0110
Facsimile: (816) 322-4620

To the Developer: Development Associates, LLC
3901 West 83rd Street
Prairie Village, Kansas 66208
Attention: William D. Cosentino
Telephone: (913) 749-1545

with a copy to:

Evan F. Fitts
Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
Telephone: (816) 360-4287
Facsimile: (816) 753-1536

To the Dissemination Agent: UMB Bank, N.A.
1010 Grand Boulevard, 4th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department
Telephone: (816) 860-3248
Facsimile: (816) 860-3029

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. Subject to the limitation on remedies contained in **Section 9** of this Continuing Disclosure Agreement, this Continuing Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2016 Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the Issuer, the Developer and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

CITY OF BLUE SPRINGS, MISSOURI

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

UMB BANK, N.A., as Dissemination Agent

By: _____
Title: _____

DEVELOPMENT ASSOCIATES, LLC

By: White Oak Development Partners, Inc., its sole
Member

By: _____
William D. Cosentino, President

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Blue Springs, Missouri
Name of Bond Issue: \$9,265,000 Special Obligation Revenue Bonds (White Oak Marketplace Project) Series 2016
Date of Issuance: December 29, 2016

NOTICE IS HEREBY GIVEN that the [Issuer] [Developer] has not filed its respective Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of December 1, 2016, among the Issuer, the Developer and UMB Bank, N.A., as Dissemination Agent. The [Issuer] [Developer] has informed the Dissemination Agent that the [Issuer] [Developer] anticipates that its respective Annual Report will be filed by _____.

Dated: _____, _____

UMB BANK, N.A., as Dissemination Agent

cc: City of Blue Springs, Missouri
Development Associates, LLC

EXHIBIT B

FORM OF DEVELOPER'S ANNUAL REPORT

This report is prepared and delivered pursuant to the Continuing Disclosure Agreement, dated as of December 1, 2016, among the City of Blue Springs, Missouri, Development Associates, LLC, and UMB Bank, N.A., as Dissemination Agent.

Date of Annual Report: _____, 20__

Annual Reporting Period From January 1 to December 31, 20__

The following is updated occupancy information relating to the Redevelopment Project:

<u>Tenant</u>	<u>Actual/Anticipated Opening Date</u>	<u>Lease Term</u>	<u>Approximately Square Footage</u>	<u>Permitted Use</u>

DEVELOPMENT ASSOCIATES, LLC

By: White Oak Development Partners, Inc., its sole Member

By: _____
Title: _____

EXHIBIT C

FORM OF ISSUER'S ANNUAL REPORT

This report is prepared and delivered pursuant to the Continuing Disclosure Agreement, dated as of December 1, 2016, among the City of Blue Springs, Missouri, Development Associates, LLC, and UMB Bank, N.A., as Dissemination Agent.

Date of Annual Report: _____, 20__

Annual Reporting Period From January 1 to December 31, 20__

1. The following amounts have been deposited into the following accounts of the Revenue Fund during the above-referenced Annual Reporting Period:

- (i) Economic Activity Tax Revenues deposited to the EATS Account \$ _____
- (ii) Payments in Lieu of Taxes deposited to the PILOTS Account \$ _____
- (iii) City's Supplemental TIF Revenues deposited to the City's Supplemental TIF Revenues Account \$ _____
- (iv) CID Revenues deposited to the CID Account \$ _____
- (vi) any other amounts deposited to the Revenue Account \$ _____

2. The principal amount of Series 2016 Bonds redeemed since the last Annual Report is \$ _____.

3. The principal amount of Series 2016 Bonds redeemed since the date of issuance of the Series 2016 Bonds is \$ _____, and the outstanding principal amount of the Series 2016 Bonds is \$ _____ as of the end of the Annual Reporting Period.

CITY OF BLUE SPRINGS, MISSOURI

By: _____
Title: _____

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APPENDIX D
REVENUE STUDY

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White Oak Redevelopment Project Area B
Bond Revenue Study
White Oak Plaza Shopping Center Project

Prepared for:



Blue Springs, Missouri
December 6, 2016

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SECTION 1

INTRODUCTION

NATURE OF THE ASSIGNMENT AND PURPOSE OF THE REPORT

On November 17, 2014, the City Council of Blue Springs, Missouri (the “City”) passed Ordinance 4519 approving the White Oak Tax Increment Financing Plan (the “Redevelopment Plan”) and passed Ordinances 4520 and 4521 approving tax increment financing within the White Oak Tax Increment Financing Redevelopment Area (the “Redevelopment Area”) described therein pursuant to the Missouri Real Property Tax Increment Allocation Redevelopment Act (the “TIF Act”).

The Redevelopment Area lies within the City, which is within Jackson County, Missouri (the “County”). Blue Springs is located nineteen miles east of downtown Kansas City, Missouri, and it is the 7th largest city in the Kansas City Metropolitan Area.

The purpose of using tax increment financing within the Redevelopment Area is to remediate blight and to facilitate the implementation of a “Redevelopment Project” consisting of the construction of a grocery store, additional commercial space, and senior housing complex in the Redevelopment Area. Redevelopment Project Area B consists of the development and construction of the grocery and commercial space. Redevelopment Project Area A consists of the development and construction of the 180-unit senior housing complex.

The City has selected Peckham Guyton Albers & Viets, Inc. (“PGAV”) to develop an independent analysis of the taxable sales, sales tax revenue generation, and property tax revenue generation potential of economic activity within the Redevelopment Area. The Redevelopment Area is subdivided into two redevelopment project areas: Redevelopment Project Area A (“RPA-A”) and Redevelopment Project Area B (“RPA-B”). This study addresses revenues generated within RPA-B only. The revenues will be used to make payments on bonds (the “Bonds”).

PGAV, headquartered in St. Louis, Missouri, is a nationally recognized firm with expertise in the preparation of bond feasibility studies. PGAV has performed analyses of historic trends and projections of real property taxes, sales taxes and taxes associated with various types of tax increment financing districts and other special taxing districts in support of bond financings and refundings. Recent locations where PGAV has been involved with financial feasibility analyses include St. Louis, Missouri; Columbus, Ohio; Chicago, Illinois; Bristol, Virginia; New Orleans, Louisiana; and Fountain, Colorado. PGAV has personnel who are members of the National Federation of Municipal Analysts (“NFMA”). PGAV Planners is a member of the Council of Development Finance Agencies (“CDFA”).

NATIONAL ECONOMIC OUTLOOK

The Bureau of Economic Analysis' September 29, 2016 estimate of Gross Domestic Product ("GDP") stated that, in the second quarter of 2016, real GDP increased 1.4% compared to the same quarter in the prior year. The increase in real GDP reflects positive contributions from personal consumption expenditures, exports and nonresidential fixed investment.¹ A survey of forecasters by the Federal Reserve Bank of Philadelphia estimates continued growth in GDP through 2016. The forecasters predict real GDP will increase 2.1% overall in 2016 and 2.4% in 2017.²

Figure 1, below, shows monthly nationwide retail sales (seasonally adjusted and excluding vehicles and parts dealers' sales). The source information for this figure is the U.S. Department of Commerce and the Census Bureau's monthly "Advance Monthly Sales for Retail and Food Services" release.³

Figure 1



¹ <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

² Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters

³ US. Bureau of the Census, Retail Sales and Food Services Excluding Motor Vehicles and Parts Dealers [RSFSXMV], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/RSFSXMV/>, October 18, 2016.

The advance estimates are based on a subsample of the Census Bureau's full retail and food services sample. A stratified random sampling method is used to select approximately 5,000 retail and food services firms whose sales are then weighted and benchmarked to represent the complete universe of over three million retail and food services firms. Responding firms account for approximately 65% of the dollar volume estimate. For an explanation of the measures of sampling variability included in this report, please see:

http://www.census.gov/retail/marts/how_surveys_are_collected.html

SECTION 2

REVENUE PROJECTIONS

OVERVIEW OF AVAILABLE REVENUE SOURCES

There are four sources of revenue available to support the repayment of the Bonds. These sources of revenue are described in the Redevelopment Agreement entered into by and between the City and Development Associates, LLC (the “Developer”). These sources of revenue are as follows:

1. Payments In Lieu Of Taxes (“PILOTs”), as defined by the TIF Act, are one-hundred percent (100%) of the incremental real property taxes generated in the Redevelopment Area (excluding certain taxes not captured by TIF such as the Missouri Blind Pension Fund). The change in assessed valuation is determined by subtracting a certified base assessed valuation for the Redevelopment Area determined as of the time the Redevelopment Area is activated by the City from the equalized assessed valuation for the Redevelopment Area for current and future tax years. The incremental revenue is determined by multiplying the change in assessed valuation by the applicable tax levy, divided by one hundred.
2. Economic Activity Taxes (“EATs”), as defined by the TIF Act, are the total additional revenue from taxes which are imposed by a municipality and other taxing districts (including the District (defined herein) and excluding certain taxes not captured by TIF such as the State Sales Tax), and which are generated by economic activities within redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and other certain specific exclusions required by law.
3. Community Improvement District Sales Tax Revenues (“CID Sales Tax”) means an additional one-cent (1%) sales tax imposed on retail sales within the White Oak Community Improvement District (the “District”) that has boundaries that coincide with Redevelopment Area B.
4. “City Supplemental TIF” means all or a portion of the incremental City’s general sales tax (1%) revenues derived from the City sales taxes imposed within RPA-B other than the portion of incremental City general sales taxes captured for deposit to the special allocation fund. The incremental revenues of the City’s 1% general sales tax are calculated in the same method as for the EATs described at item two on the preceding page.

BASIS OF REVENUE GENERATION – THE REDEVELOPMENT PROJECT

The Redevelopment Area’s basis of revenue generation is the development of the White Oak Marketplace. The Planning Commission approved the final plan for the largest portion of White Oak Marketplace, the planned redevelopment area at 1132 SW Luttrell Road near Missouri 7 and U.S. 40. The highlight of the 20.5-acre development is an 85,000-square-foot Cosentino’s Price Chopper, which represents the relocation of an existing store from across M-7. The development also includes an additional 10,000 square feet of retail space. A retention basin will be constructed just west of the Central Bank of the Midwest that sits at the corner M-7 and Sunset Avenue.⁴

TERM OF TIF, REDEVELOPMENT PLAN, AND TIMING OF REVENUE FLOWS

The capture of incremental tax revenues is authorized for a period of twenty-three years from the date of the ordinance approving the Redevelopment Project (November 17, 2014). Revenues available for the repayment of the Bonds may be generated during the period of November 17, 2014 to November 16, 2037.

Table 2
Tenant Roster
White Oak Redevelopment Area
Blue Springs, MO

Tenant	Status	Sq.Ft.
Price Chopper	Opening 2017	85,000
Johnny's Tavern	Opening 2017	7,500
Pacific Dental	Opening 2017	2,500
Totals		95,000

A lag occurs between the time that sales tax revenues are generated and the time they are collected, distributed, and deposited to the Special Allocation Fund. It is anticipated that this time lag is three months for sales tax revenues. The amount of sales tax revenues available at any given time also depends on when retailers pay sales taxes (i.e., whether on a monthly, quarterly or annual basis). The retailers noted on **Table 1** are anticipated to remit taxes on a monthly basis.

Real estate taxes are due by December 31 each year, so revenues from PILOTS are collected by the County between November of the tax year through January of the following year and are then distributed to the City for deposit to the Special Allocation Fund. The aggregate equalized assessed

⁴ <http://www.examiner.net/news/20160113/final-plan-for-white-oak-advances-to-blue-springs-council>

value of the Redevelopment Area, as measured on a parcel-by-parcel basis, must exceed the base equalized assessed value in order to generate incremental real property tax revenue.

Projections of future Revenues are based on a series of assumptions developed from existing available information. These assumptions are described in the balance of this section and **Section 3** and applied to the revenue tables herein. These tables provide assumptions and calculations used to generate the projections of revenues available for repayment of the Bonds.

REAL PROPERTY TAX REVENUES (PILOTS)

To calculate incremental real property tax revenues, the base value of the existing property is subtracted from the value generated by new development. More specifically, the TIF Act stipulates that the initial equalized assessed valuation (base EAV) be determined as:

(1) That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing district in the manner required by law in the absence of the adoption of tax increment financing. (R.S. Mo. 99.845(1))

Once the base EAV is determined by the County Assessor, any property taxes generated from an increase in the EAV (payment in lieu of taxes or “PILOTS”) is used to pay redevelopment costs, determined by:

(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid into a special fund called the “Special Allocation Fund” of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof...(R.S. Mo. 99.845(2)(a))

BASE EQUALIZED ASSESSED VALUATION

The initial assessed valuation for RPA-B has been certified by the Jackson County Assessor to be \$476,109.

REAL PROPERTY TAX RATE

The real property tax levies of the various taxing districts that comprise the real property tax rate subject to capture by TIF pursuant to the TIF Act are detailed in **Table 2 – 2016 Property Tax Rate Information** for the Redevelopment Area. The State of Missouri Blind Pension Fund Tax and the Merchant’s and Manufacturer’s Replacement Tax, also known as the Commercial Surcharge, are not subject to capture by TIF per the TIF Act.

Table 2
2016 Property Tax Rate Information¹
White Oak Redevelopment Area
Blue Springs, MO

Taxing District	Tax Rate per \$100 EAV
Blue Springs School R-IV	5.7286
Sheltered Workshop	0.0738
City of Blue Springs	0.7281
Fire District - Central Jackson ²	1.1731
Jackson County	0.4956
Mental Health	0.1198
Metro Junior College	0.2343
Mid-Continent Library	0.3146
Total for TIF	8.8679
State of Missouri Blind Pension Fund	0.0300
Commercial Surcharge	1.4370
Total Property Tax Rate	10.3349

¹ Source: Jackson County.

² Pursuant to Section 99.848 RSMO, the Central Jackson Fire District is entitled to reimbursement of up-to 100% of the incremental property taxes associated with its levy. This study reflects that the fire district will receive 50% of the incremental property taxes generated from its levy as provided by agreement with the City.

The property tax rates, exclusive of the Commercial Surcharge, may be adjusted every year. Some adjustments are required to ensure compliance with the Missouri Constitution, which limits the amount of increase in tax levies (not including taxes from new construction) that may occur without voter approval. While any future adjustments that may occur are unknown (including an increase due to voter approval or decrease due to constitutional requirements or otherwise), the 2016 real property tax rate is used to project future property tax revenues. Real property tax rates are certified in the fall of each tax year.

REAL PROPERTY TAX (PILOTS) REVENUE PROJECTIONS

Table 3 shows the current and projected future assessed values on a per-parcel basis for the Redevelopment Area.

Table 4
Projected Assessed Valuations¹
White Oak Redevelopment Area
Blue Springs, MO

Tenant/Use	Improvement Size (Sq. Ft.)	Estimated Market Value per Square Foot	Assessor Class	Assessment Ratio	2017 Market Value	2017 Assessed Value	Projected 2018 Market Value	Projected 2018 Assessed Value
Price Chopper	85,000	\$ 94.50	Commercial	32%	\$ 803,291	\$ 257,053	\$ 8,032,915	\$ 2,570,533
Johnny's Tavern	7,500	\$ 95.00	Commercial	32%	\$ 235,125	\$ 75,240	\$ 712,500	\$ 228,000
Pacific Dental	2,500	\$ 95.00	Commercial	32%	\$ 78,375	\$ 25,080	\$ 237,500	\$ 76,000
95,000					\$ 1,116,791	\$ 357,373	\$ 8,982,915	\$ 2,874,533

¹ Projected values are based on the the Jackson County Assessor's valuation of comparable, recently constructed commercial facilities in the City of Blue Springs.

For the purposes of this analysis, the market value of the entire Redevelopment Area is assumed to grow at a rate of three percent (3%) each reassessment year, which is every odd year in Missouri. Reassessment occurs every odd-numbered calendar year. New construction, however, is assessed in the year following completion. Detailed projections of PILOT revenues are shown on **Table 4 - Projection of Incremental Real Property Taxes (PILOTS)**, on the following page.

Table 4
Projection of Incremental Real Property Taxes (Payments in Lieu of Taxes (PILOTs))
 White Oak Redevelopment Area
 Blue Springs, MO

Calendar Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
TIF Program Year	3	4	5	6	7	8	9	10	11	12	13
Market Value	\$ 1,116,791	\$ 8,982,915	\$ 9,252,402	\$ 9,252,402	\$ 9,529,974	\$ 9,529,974	\$ 9,815,873	\$ 9,815,873	\$ 10,110,350	\$ 10,110,350	\$ 10,413,660
Assessed Value	\$ 357,373	\$ 2,874,533	\$ 2,960,769	\$ 2,960,769	\$ 3,049,592	\$ 3,049,592	\$ 3,141,079	\$ 3,141,079	\$ 3,235,312	\$ 3,235,312	\$ 3,332,371
Base Assessed Value	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)
Incremental EAV	\$ -	\$ 2,398,424	\$ 2,484,660	\$ 2,484,660	\$ 2,573,483	\$ 2,573,483	\$ 2,664,970	\$ 2,664,970	\$ 2,759,203	\$ 2,759,203	\$ 2,856,262
Per \$100 of EAV & Multiply by Tax Rate for TIF	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679
Gross PILOTs	\$ -	\$ 212,690	\$ 220,337	\$ 220,337	\$ 228,214	\$ 228,214	\$ 236,327	\$ 236,327	\$ 244,683	\$ 244,683	\$ 253,290
Capital Contribution to School District	\$ -	\$ (13,740)	\$ (14,234)	\$ (14,234)	\$ (14,742)	\$ (14,742)	\$ (15,267)	\$ (15,267)	\$ (15,806)	\$ (15,806)	\$ (16,362)
Fire District Reimbursement	\$ -	\$ (14,068)	\$ (14,574)	\$ (14,574)	\$ (15,095)	\$ (15,095)	\$ (15,631)	\$ (15,631)	\$ (16,184)	\$ (16,184)	\$ (16,753)
Projected Incremental Real Property Taxes	\$ -	\$ 184,882	\$ 191,530	\$ 191,530	\$ 198,377	\$ 198,377	\$ 205,429	\$ 205,429	\$ 212,693	\$ 212,693	\$ 220,175

Calendar Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
TIF Program Year	14	15	16	17	18	19	20	21	22	23
Market Value	\$ 10,413,660	\$ 10,726,070	\$ 10,726,070	\$ 11,047,852	\$ 11,047,852	\$ 11,379,288	\$ 11,379,288	\$ 11,720,666	\$ 11,720,666	\$ 12,072,286
Assessed Value	\$ 3,332,371	\$ 3,432,342	\$ 3,432,342	\$ 3,535,313	\$ 3,535,313	\$ 3,641,372	\$ 3,641,372	\$ 3,750,613	\$ 3,750,613	\$ 3,863,132
Base Assessed Value	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)	\$ (476,109)
Incremental EAV	\$ 2,856,262	\$ 2,956,233	\$ 2,956,233	\$ 3,059,204	\$ 3,059,204	\$ 3,165,263	\$ 3,165,263	\$ 3,274,504	\$ 3,274,504	\$ 3,387,023
Per \$100 of EAV & Multiply by Tax Rate for TIF	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679	8.8679
Gross PILOTs	\$ 253,290	\$ 262,156	\$ 262,156	\$ 271,287	\$ 271,287	\$ 280,692	\$ 280,692	\$ 290,380	\$ 290,380	\$ 299,880
Capital Contribution to School District	\$ (16,362)	\$ (16,935)	\$ (16,935)	\$ (17,525)	\$ (17,525)	\$ (18,133)	\$ (18,133)	\$ (18,758)	\$ (18,758)	\$ (19,400)
Fire District Reimbursement	\$ (16,753)	\$ (17,340)	\$ (17,340)	\$ (17,944)	\$ (17,944)	\$ (18,566)	\$ (18,566)	\$ (19,207)	\$ (19,207)	\$ (19,857)
Projected Incremental Real Property Taxes	\$ 220,175	\$ 227,881	\$ 227,881	\$ 235,818	\$ 235,818	\$ 243,994	\$ 243,994	\$ 252,415	\$ 252,415	\$ 260,883

Projected Incremental Real Property Taxes are net of each of: (a) Capital Contribution to School District, which is an amount equal to 10% of the incremental property taxes generated by the school district's levy, and (b) Fire District Reimbursement, which is an amount equal to 50% of the incremental property taxes generated by the Jackson County Fire Protection District's levy as provided by agreement with the City.

ECONOMIC ACTIVITY TAXES

The TIF Act defines Economic Activity Taxes as follows:

2. ...fifty percent of the total additional revenue from taxes imposed by the municipality, or other taxing district, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotel and motels, licenses, fees or special assessments and personal property taxes, other than payments in lieu of taxes, shall be allocated to, and paid by the collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. (R.S. Mo. 99.845).

Simply put, fifty percent (50%) of the economic activity taxes (in this case, retail sales taxes) that exceed the certified Economic Activity Tax Base are available for deposit into the Special Allocation Fund.

BASE SALES TAXES

The estimated Economic Activity Tax Base is approximately \$28.2 million, which figure is the total of the sales volume occurring within the Redevelopment Area pursuant to two time periods (1) in the calendar year prior to the approval of RPA-B and (2) in the calendar year prior to the relocation of the Price Chopper (assumed to be 2016). Included in the Appendix is a table showing the information used by the City to determine the base EATs volume for the economic activity occurring within the Redevelopment Area in the year prior to its approval and to determine the base EATs volume for the Price Chopper store prior to relocation.

Table 5
Base Sales Tax Volume
 White Oak Redevelopment Area
 Blue Springs, MO

Taxable Base Sales Volume		\$28,230,850
Sales Taxes	Tax Rate	Base Taxes (\$)
Local Sales Taxes Captured by TIF		
Blue Springs - General Revenue	1.000%	273,839
Blue Springs - Transit	0.500%	136,920
Blue Springs - Public Safety	0.500%	136,920
Jackson County - General Revenue	0.500%	136,920
Jackson County - Drug Task Force ¹	0.250%	68,460
Central Jackson Fire Protection District	0.500%	136,920
Kansas City Zoo	0.125%	34,230
Community Improvement District	1.000%	0
Total Tax Rate for TIF	4.375%	\$924,207
Local Sales Taxes Not Subject to Capture by TIF		
State Sales Tax	4.225%	
Stadium Sales Tax	0.375%	
Total Sales Tax Rate	8.975%	

¹ The Jackson County Drug Task Force 0.25% sales tax was recently renewed for a nine year period March 2018 through March 2027. This analysis assumes that this sales tax will not be renewed again in 2026 and expires in 2027.

SALES TAX RATES

There are several local sales taxes contributing to the TIF. Fifty percent (50%) of the total local sales tax rate of 3.375% plus fifty percent (50%) of the CID Sales Tax rate of 1%. This half is often referred to as the “top half” of the incremental sales tax revenue stream. The only sales taxes whose revenues are ineligible for deposit to the special allocation fund are the State of Missouri’s portion of the sales tax and the Jackson County stadium sales tax.

SALES TAX COLLECTION

The State of Missouri’s Department of Revenue (“MoDOR”) collects and distributes all sales taxes. Each month (or quarterly or annually for smaller retailers), retailers report to MoDOR their total taxable sales for the prior month and pay their sales tax obligation according to the total sales tax rate in the area. This study anticipates that all retailers in RPA-B will remit sales tax payments on a monthly basis. In the month following the retailer’s report, MoDOR remits to each affected taxing district the sales taxes owed less a one percent (1%) administrative fee and a two percent (2%) timely payment discount. This process creates a lag of sixty to ninety days, depending on when sales taxes are paid by each retailer, from the sale event to the deposit of sales taxes with each affected taxing district (e.g., Jackson County, the CID, or the City) and then to the Special Allocation Fund. This analysis anticipates a time lag of three months for sales tax revenues to be deposited to the Special Allocation Fund. The amount of sales tax revenues available at a given time also depends on when retailers pay sales taxes (i.e. whether on a monthly, quarterly or annual basis).

UTILITY TAXES

Utility taxes qualify as an economic activity tax eligible for capture by TIF. However, the definition of EATs revenues in the Redevelopment Agreement provides that those revenues will be available for payment of TIF obligations only if the Developer provides the City with copies of utility bills. To date, the Developer has not done so; therefore, this study assumes utility taxes will not be available.

PROJECTIONS

The Redevelopment Project may or may not produce revenues at the levels projected within this Report. The actual sales revenues generated will vary from these projections. **Table 6 – Taxable Sales Projections**, below, shows the estimated taxable sales volume generated by the Redevelopment Project.

Table 6
Taxable Sales Projections
White Oak Redevelopment Area
Blue Springs, MO

Retailers	Status	Approx. Sq.Ft.	Taxable Sales Per Sq.Ft.	2017	2018	2019
Price Chopper	Opening 2017	85,000	\$ 425	\$ 18,062,500	\$ 36,125,000	\$ 36,486,250
Johnny's Tavern	Opening 2017	2,500	\$ 400	\$ 750,000	\$ 1,000,000	\$ 1,010,000
Totals		87,500		\$ 18,812,500	\$ 37,125,000	\$ 37,496,250

The sales estimates shown in Table 6 reflect typical sales per square foot volume performance for a Price Chopper in this market area and a bar/grill restaurant in this market area according to our survey of similar operations in this market area. Sales projections associated with Johnny's Tavern estimate average annual growth of one percent (1%) over time. Sales projections associated with Price Chopper estimate average annual growth of 2.5% over time. This estimate is based on historic trends in sales taxes on purchases at grocery stores in the City which have, over the past 25 years grown at an average annual rate of 2.7% and over the past 10 years at an average annual rate of 3.6%.⁵

Table 7 – Revenue Summary, on the following page, shows projections of estimated PILOTs, EATs, CID Sales Tax, and City Supplemental TIF revenues that may be generated by the Redevelopment Project for the payment of debt service.

⁵ Source: Missouri Department of Revenue Public Information Reports.

Table 7
Revenue Summary
 White Oak Redevelopment Area
 Blue Springs, MO

Year	Estimated Sales Volume	Local Sales Taxes Subject to TIF (3.375% to 2026; 3.125% 2027-2037)	Less Base Sales Taxes	Total Incremental Sales Taxes ¹	Available Incremental Sales Taxes (50% of Total Incremental Sales Taxes)	City Supplemental TIF	PILOTs ²	Total TIF Revenues	Total CID Sales	CID Sales Tax Revenues (1%)	Total TIF + CID Revenues
2017	\$ 18,812,500	\$ 615,874	\$ (924,207)						\$ 18,812,500	\$ 182,481	\$ 182,481
2018	\$ 37,125,000	\$ 1,215,380	\$ (924,207)	\$ 269,604	\$ 134,802	\$ 43,137	\$ 184,882	\$ 362,821	\$ 37,125,000	\$ 360,113	\$ 722,933
2019	\$ 37,496,250	\$ 1,227,533	\$ (924,207)	\$ 280,857	\$ 140,429	\$ 44,937	\$ 191,530	\$ 376,896	\$ 37,496,250	\$ 363,714	\$ 740,609
2020	\$ 38,418,506	\$ 1,257,726	\$ (924,207)	\$ 308,813	\$ 154,407	\$ 49,410	\$ 191,530	\$ 395,347	\$ 38,418,506	\$ 372,660	\$ 768,006
2021	\$ 39,363,667	\$ 1,288,668	\$ (924,207)	\$ 337,464	\$ 168,732	\$ 53,994	\$ 198,377	\$ 421,103	\$ 39,363,667	\$ 381,828	\$ 802,930
2022	\$ 40,332,305	\$ 1,320,379	\$ (924,207)	\$ 366,825	\$ 183,413	\$ 58,692	\$ 198,377	\$ 440,481	\$ 40,332,305	\$ 391,223	\$ 831,705
2023	\$ 41,325,003	\$ 1,352,877	\$ (924,207)	\$ 396,917	\$ 198,458	\$ 63,507	\$ 205,429	\$ 467,394	\$ 41,325,003	\$ 400,853	\$ 868,246
2024	\$ 42,342,363	\$ 1,386,183	\$ (924,207)	\$ 427,755	\$ 213,878	\$ 68,441	\$ 205,429	\$ 487,747	\$ 42,342,363	\$ 410,721	\$ 898,468
2025	\$ 43,384,999	\$ 1,420,316	\$ (924,207)	\$ 459,360	\$ 229,680	\$ 73,498	\$ 212,693	\$ 515,871	\$ 43,384,999	\$ 420,834	\$ 936,705
2026	\$ 44,453,542	\$ 1,455,298	\$ (924,207)	\$ 491,750	\$ 245,875	\$ 78,680	\$ 212,693	\$ 537,248	\$ 44,453,542	\$ 431,199	\$ 968,447
2027 ³	\$ 45,548,638	\$ 1,380,693	\$ (855,748)	\$ 482,950	\$ 241,475	\$ 83,991	\$ 220,175	\$ 545,641	\$ 45,548,638	\$ 441,822	\$ 987,463
2028	\$ 46,670,949	\$ 1,414,713	\$ (855,748)	\$ 514,248	\$ 257,124	\$ 89,434	\$ 220,175	\$ 566,733	\$ 46,670,949	\$ 452,708	\$ 1,019,442
2029	\$ 47,821,153	\$ 1,449,579	\$ (855,748)	\$ 546,325	\$ 273,162	\$ 95,013	\$ 227,881	\$ 596,056	\$ 47,821,153	\$ 463,865	\$ 1,059,921
2030	\$ 48,999,947	\$ 1,485,311	\$ (855,748)	\$ 579,198	\$ 289,599	\$ 100,730	\$ 227,881	\$ 618,210	\$ 48,999,947	\$ 475,299	\$ 1,093,510
2031	\$ 50,208,043	\$ 1,521,931	\$ (855,748)	\$ 612,889	\$ 306,444	\$ 106,589	\$ 235,818	\$ 648,852	\$ 50,208,043	\$ 487,018	\$ 1,135,870
2032	\$ 51,446,173	\$ 1,559,462	\$ (855,748)	\$ 647,417	\$ 323,709	\$ 112,594	\$ 235,818	\$ 672,121	\$ 51,446,173	\$ 499,028	\$ 1,171,149
2033	\$ 52,715,085	\$ 1,597,926	\$ (855,748)	\$ 682,804	\$ 341,402	\$ 118,749	\$ 243,994	\$ 704,145	\$ 52,715,085	\$ 511,336	\$ 1,215,481
2034	\$ 54,015,548	\$ 1,637,346	\$ (855,748)	\$ 719,071	\$ 359,535	\$ 125,056	\$ 243,994	\$ 728,585	\$ 54,015,548	\$ 523,951	\$ 1,252,536
2035	\$ 55,348,348	\$ 1,677,747	\$ (855,748)	\$ 756,239	\$ 378,120	\$ 131,520	\$ 252,415	\$ 762,054	\$ 55,348,348	\$ 536,879	\$ 1,298,933
2036	\$ 56,714,292	\$ 1,719,152	\$ (855,748)	\$ 794,332	\$ 397,166	\$ 138,145	\$ 252,415	\$ 787,726	\$ 56,714,292	\$ 550,129	\$ 1,337,854
2037 ⁴	\$ 58,114,207	\$ 1,467,989	\$ (855,748)	\$ 612,241	\$ 306,121	\$ 97,959	\$ -	\$ 404,079	\$ 58,114,207	\$ 563,708	\$ 967,787
2038	\$ 59,548,940								\$ 59,548,940	\$ 577,625	\$ 577,625
2039	\$ 61,019,361								\$ 61,019,361	\$ 591,888	\$ 591,888
TIF terminates in November 2037											
TOTALS	\$ 1,071,224,819	\$ 29,452,084		\$ 10,287,061	\$ 5,143,530		\$ 4,161,504	\$ 11,039,110	\$ 1,071,224,819	\$ 10,390,881	\$ 21,429,991

¹ Total Incremental Sales Taxes are net of the Missouri Department of Revenue's early pay discount (2%), administrative fee (1%), and reimbursement to the Central Jackson Fire Protection District of the incremental sales tax revenues associated with their sales tax pursuant to Section 99.848 RSMO.

² PILOTs are net of capital contribution to the Blue Springs School District and a reimbursement to the Central Jackson Fire Protection District of the incremental property taxes associated with their property tax levy pursuant to Section 99.848 RSMO.

³ The Jackson County Drug Task Force 0.25% sales tax was recently renewed for a nine year period March 2018 through March 2027. This analysis assumes that this sales tax will not be renewed again in 2026 and expires in 2027.

⁴ Local Sales Taxes Subject to TIF are reduced to reflect to termination of the TIF on November 16, 2037.

PROJECTED TOTAL REVENUES

No private independent market study has been prepared or provided to PGAV. Assumptions have been made regarding the performance of the uses within the Redevelopment Area. The actual tax revenues generated will vary from these projections.

The sales figures used in this document reflect taxable sales only. Pharmaceutical sales and food stamp sales are not subject to sales tax, and therefore we have not included these sales in our projections. Retail sales are estimated to grow at a rate of one percent (1%) on an average annual basis after stabilization. Grocery sales at the Price Chopper are estimated to grow at an average annual rate of 2.5% after stabilization. Stabilization occurs at a retailer after a maturation period, which occurs in the retail stores early life. Typically, over the first two or three years of a retailer store's operations, sales volume increases steadily, and at rates of 10% or more. After this initial period, sales "stabilize" or reach a relatively level sales volume that grows more slowly, or gradually, over time. In this analysis, stabilization has been estimated to be achieved in 2018.

Projections of growth in assessed value are based on our firm's observations of changes in assessed valuations and tax rates associated with similar commercial retail property over time. Our firm's observation is that a well-maintained commercial retail center with low vacancy will experience growth in value over time at an average of 3% each reassessment year and that the property tax bill associated with such a property is likely to increase between 1% and 2% each year. Since future changes in tax rates are difficult to predict with any degree of certainty, our estimates of growth in real property tax revenue rely on the reassessment schedule since we know that the assessment may change every odd year.

Table 8 – Revenues and Payment Dates, on the next page, shows the maximum amount of revenue available for debt service pursuant to the Redevelopment Agreement. This table shows the revenue amounts from Table 7 per the amounts estimated to be available for the payment of debt service on the dates on which debt service payments are to be made.

Table 8
Revenues and Payment Dates
 White Oak Redevelopment Area
 Blue Springs, MO

Payment Date	TIF EATs	CID Sales Tax Revenues (1%)	Total TIF EATs + CID Sales Tax Revenues	PILOTs	Total Revenues
May 1, 2017					
November 1, 2017					
May 1, 2018		\$ 182,481	\$ 182,481	\$ -	\$ 182,481
November 1, 2018		\$ 184,918	\$ 184,918		\$ 184,918
May 1, 2019	\$ 177,939	\$ 175,194	\$ 353,133	\$ 184,882	\$ 538,015
November 1, 2019		\$ 186,767	\$ 186,767		\$ 186,767
May 1, 2020	\$ 185,366	\$ 176,946	\$ 362,312	\$ 191,530	\$ 553,842
November 1, 2020		\$ 191,361	\$ 191,361		\$ 191,361
May 1, 2021	\$ 203,817	\$ 181,299	\$ 385,115	\$ 191,530	\$ 576,645
November 1, 2021		\$ 196,069	\$ 196,069		\$ 196,069
May 1, 2022	\$ 222,726	\$ 185,759	\$ 408,485	\$ 198,377	\$ 606,861
November 1, 2022		\$ 200,893	\$ 200,893		\$ 200,893
May 1, 2023	\$ 242,105	\$ 190,330	\$ 432,435	\$ 198,377	\$ 630,811
November 1, 2023		\$ 205,838	\$ 205,838		\$ 205,838
May 1, 2024	\$ 261,965	\$ 195,014	\$ 456,979	\$ 205,429	\$ 662,408
November 1, 2024		\$ 210,905	\$ 210,905		\$ 210,905
May 1, 2025	\$ 282,318	\$ 199,815	\$ 482,134	\$ 205,429	\$ 687,563
November 1, 2025		\$ 216,099	\$ 216,099		\$ 216,099
May 1, 2026	\$ 303,178	\$ 204,736	\$ 507,913	\$ 212,693	\$ 720,606
November 1, 2026		\$ 221,421	\$ 221,421		\$ 221,421
May 1, 2027	\$ 324,555	\$ 209,778	\$ 534,333	\$ 212,693	\$ 747,026
November 1, 2027		\$ 226,876	\$ 226,876		\$ 226,876
May 1, 2028	\$ 325,466	\$ 214,946	\$ 540,412	\$ 220,175	\$ 760,587
November 1, 2028		\$ 232,466	\$ 232,466		\$ 232,466
May 1, 2029	\$ 346,559	\$ 220,242	\$ 566,801	\$ 220,175	\$ 786,976
November 1, 2029		\$ 238,195	\$ 238,195		\$ 238,195
May 1, 2030	\$ 368,175	\$ 225,670	\$ 593,845	\$ 227,881	\$ 821,726
November 1, 2030		\$ 244,067	\$ 244,067		\$ 244,067
May 1, 2031	\$ 390,329	\$ 231,233	\$ 621,562	\$ 227,881	\$ 849,443
November 1, 2031		\$ 250,084	\$ 250,084		\$ 250,084
May 1, 2032	\$ 413,034	\$ 236,934	\$ 649,968	\$ 235,818	\$ 885,786
November 1, 2032		\$ 256,251	\$ 256,251		\$ 256,251
May 1, 2033	\$ 436,303	\$ 242,777	\$ 679,080	\$ 235,818	\$ 914,898
November 1, 2033		\$ 262,572	\$ 262,572		\$ 262,572
May 1, 2034	\$ 460,151	\$ 248,765	\$ 708,915	\$ 243,994	\$ 952,909
November 1, 2034		\$ 269,049	\$ 269,049		\$ 269,049
May 1, 2035	\$ 484,591	\$ 254,902	\$ 739,493	\$ 243,994	\$ 983,487
November 1, 2035		\$ 275,688	\$ 275,688		\$ 275,688
May 1, 2036	\$ 509,639	\$ 261,191	\$ 770,831	\$ 252,415	\$ 1,023,246
November 1, 2036		\$ 282,491	\$ 282,491		\$ 282,491
May 1, 2037	\$ 535,311	\$ 267,637	\$ 802,948	\$ 252,415	\$ 1,055,363
November 1, 2037		\$ 289,464	\$ 289,464		\$ 289,464
May 1, 2038	\$ 404,079	\$ 274,243	\$ 678,323		\$ 678,323
November 1, 2038		\$ 296,611	\$ 296,611		\$ 296,611
May 1, 2039		\$ 281,014	\$ 281,014		\$ 281,014
November 1, 2039		\$ 303,935	\$ 303,935		\$ 303,935

Note: TIF EATs are net of the Missouri Department of Revenue's early pay discount (2%), administrative fee (1%), reimbursement to the fire district and include City Supplemental TIF revenues.

BASIS FOR PROJECTIONS

This Report and the financial projections contained herein are based on estimates, assumptions, and information provided by the Developer and various other sources considered to be reliable. The Developer has provided PGAV information with respect to tenants that will engage in retail operations within the Redevelopment Project. PGAV has conducted independent research with respect to the economic characteristics of these tenants. PGAV neither verified nor audited the information that was provided by others. Information provided by others is assumed to be reliable, but PGAV assumes no responsibility for its accuracy or certainty. The analysis is based, in part, on assumptions and conditions provided by these various sources. PGAV believes that the assumptions used in this analysis constitute a reasonable basis for its preparation.

No professional standards or guidance relevant to the preparation of this Report exist or have been developed by any professional agency. The National Federation of Municipal Analysts has developed recommended guidelines for the production of expert work products such as this Report, and PGAV adheres to these guidelines in its work. PGAV has prepared this Report based on standards and methodology the firm has developed over the course of preparing hundreds of similar analyses of historical trends and projections of sales taxes associated with various types of taxing districts in support of bond financings throughout the country over the past 25 years.

PGAV's methodology for preparing this Report includes the review of economic and demographic data, both current and historic, in order to develop assumptions about future growth. In light of this information, PGAV develops reasonable assumptions about future growth and applies those assumptions to the projections of future revenue in this Report.

The projections presented in this document are forward-looking and involve certain assumptions and judgments regarding future events. Although the projections formulated in this Report are based on currently available information, they are also based on assumptions about the future state of the national and regional economy and the local real estate markets, as well as assumptions about future actions by various parties, which cannot be assured or guaranteed. The ability to achieve the results described herein depends on the timing and probability of a complex series of future events, both internal and external to the Redevelopment Project. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections contained herein will cause a deviation from all financial projections contained in this analysis and may render them obsolete. These projections are not provided as predictions or assurances that a certain level of performance will be achieved or that certain events will occur. The actual results will vary from the projections described herein, and the variations may be material. Because the future is uncertain, there is risk associated with achieving the results projected. PGAV assumes no responsibility for any degree of risk involved. PGAV assumes no liability should market conditions change.

Accordingly, PGAV does not express an opinion as to whether or not the Redevelopment Project will achieve the results projected herein if economic, environmental, legislative, or physical events or

conditions occur that would significantly affect the projected revenue streams. Specifically, there are a number of situations that could occur that would have major impacts on the revenue projections presented herein. Examples of events that could affect the projected availability of revenues include: changes in taxing provisions and/or market acceptance of commercial additions to the Redevelopment Project that affect the amount of sales tax revenues generated within the Redevelopment Project; and changes in legislation.

The terms of PGAV's engagement for this study do not provide for reporting on events subsequent to the date of this Report. Therefore, PGAV accepts no responsibility to either update or revise this Report subsequent to its issuance.

This Report is intended solely for the internal use of the City, the City's legal counsel, the City's financial advisor, bond underwriter, and bond counsel. Neither this Report nor its contents may be referred to or quoted, in whole or in part, for any purpose including, but not limited to, any official statement for a bond issue and consummation of a bond sale, any registration statement, prospectus, loan, or other agreement or document, without prior review and written approval by PGAV regarding any representations therein with respect to PGAV's organization and work product. Included in any offering statement must be a document signed by a representative of PGAV which document constitutes PGAV's written consent to this Report's use in such offering statement.

CONFLICTS OF INTEREST

Other than its contractual relationship for the execution of this Report, PGAV has no relationship with any party having a financial or other interest in the issuance and/or sale of the Bonds.

PAYMENT TO PGAV

Payment to PGAV for the preparation of this Report is not contingent on the sale of the Bonds.

OTHER WORK FOR ISSUER OR DISTRICT

PGAV has not worked for the City in the past five years.

SECTION 3

CONDITIONS AND ASSUMPTIONS

The conditions and assumptions that apply to the revenue projections in this document are stated throughout. A negative change in the conditions that form the basis of the assumptions used in developing the projections contained in this report could adversely affect the estimates of the incremental revenue available to support the Bonds. In order to project future sales, and hence, the revenues that may be generated within the Redevelopment Area, certain assumptions must be made with regard to actions, both internal and external to the Redevelopment Area, such as actions by private businesses and land owners, national and local economic conditions, public support, and legislative changes. The contents of this document are forward-looking and involve certain assumptions and judgments regarding uncertainties in the future.

The ability to achieve the revenue projections presented in this evaluation is contingent upon the timing and probability of a number of complex conditions being met in the future and certain assumptions holding true. PGAV makes no assertions as to the degree of impact that changes in any of these conditions would have upon the revenue projections included herein. Any event or action that alters an assumed event, assumption, or condition used to achieve the projections contained herein shall be considered a cause to void all financial projections contained in this report. These assumptions include such conditions as listed below.

1. Continued Public Support

The successful ongoing administration of the statutory mechanisms generating revenues within the Redevelopment Area will require the commitment of the governing authority of the City, property owner(s) and retailers. Likewise, it is assumed that the Missouri legislature will not make any future changes to State law or pass other legislation that will negatively affect economic development districts in existence prior to such changes or legislation.

2. Court Action

The results of future court decisions, unknown at this time, which could impact, either positively or negatively, the future performance of the Redevelopment Project as envisioned.

3. Competent Staff Support

The future success of the Redevelopment Project will depend, to a great degree, on the presence of competent support on the part of the Trustee and the governing authority of the City in order to adhere to schedules and to execute the administrative duties required to provide funds for debt payments.

4. Natural Disasters

Future success of the retailers within the Redevelopment Project could be affected by fires, floods, storms, or other “acts of God,” or civil unrest that could interrupt, halt or otherwise disturb commercial retail activity within the City.

5. Economic and Market Stability

National, regional, and local economic stability will need to prevail over the life of the Redevelopment Area and continue to support the need for retail uses at this location. In addition, prolonged labor strikes or terrorist attacks at the national, regional, or local level could adversely affect the business environment or business productivity at this location.

APPENDIX

CITY OF BLUE SPRINGS
White Oak TIF Baseline Calculations

White Oak TIF	Sales Tax Effective Dates						Total
	prior to 2009	prior to 2009	prior to 2009	2009.01.01	2011.10.01	2012.01.01	
	1% Sales Tax Revenue	1/2% Transportation Sales Tax	3/4% County Sales Tax	1/2% CJCYPD Sales Tax	1/2% PSST	1/8% Zoo Sales Tax	
Activation Baseline - Gross	\$ 35,066.24	\$ 17,533.08	\$ 26,299.68	\$ 17,533.12	\$ 17,533.15	\$ 4,383.28	\$ 118,348.55
Activation Baseline - Net of 1% Admin Fee	\$ 34,715.58	\$ 17,357.75	\$ 26,036.68	\$ 17,357.79	\$ 17,357.82	\$ 4,339.45	\$ 117,165.07

NOTE: Activation Baseline is based on CY 2013; TIF activation date November 17, 2014.

Relocation Baseline - Gross	\$ 244,887.62	\$ 122,443.82	\$ 183,665.72	\$ 122,443.81	\$ 122,443.82	\$ 30,610.95	\$ 826,495.74
Relocation Baseline - Net of 1% Admin Fee	\$ 242,438.74	\$ 121,219.38	\$ 181,829.06	\$ 121,219.37	\$ 121,219.38	\$ 30,304.84	\$ 818,230.77

NOTE: Relocation Baseline is currently based on CY 2015; will be recalculated based on actual date of relocation.

Price Chopper 2015 Total Sales

\$ 24,733,649.62

CONSENT TO RELEASE OF SALES TAX RECEIPTS

Cosentino Enterprises, Inc., a Missouri corporation ("Cosentino"), hereby consents to (a) the release by the appropriate officials and officers of the City of Blue Springs, Missouri (the "City") and the White Oak Community Development District (the "District") of sales tax receipts received by the City and by the District from sales occurring at the Cosentino's grocery store (Tax ID 10483322, location 0001, Store No. 104, the "Store") for, but solely for, the purpose of analyzing and consummating the issuance of bonds by or as directed by the City and the District relating to the costs of implementing the White Oak Tax Increment Financing Plan (the "Plan") and associated improvements (the "Bonds") (b) the publication of such information in offering materials to be prepared in connection with sale of the Bonds, and (c) the future budgeting and periodic disclosure of such sales tax receipts to the extent necessary in order to comply with budget requirements, customary continuing disclosure obligations or other reporting requirements undertaken by the City or by the District in connection with the Bonds and the Plan. This consent and release shall automatically terminate and be of no further force and effect prospectively in the event that the Bonds have been paid.

Dated this 12 day of OCTOBER, 2016.

COSENTINO ENTERPRISES, INC.,
a Missouri Corporation

By: William D. Cosentino
Name: William D. Cosentino
Title: PRESIDENT



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APPENDIX E
BOOK-ENTRY ONLY SYSTEM

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information provided immediately below concerning DTC and the Book-Entry-Only System, as it currently exists, has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Placement Agent, the City or the Developer.

General

When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system (the “**Book-Entry-Only System**”) maintained by DTC. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry-Only System, as described below.

DTC and its Participants

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “**Beneficial Owner**”) is, in turn, to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

So long as Cede & Co., as nominee of DTC, is the registered owner of any of the Bonds, the Beneficial Owners of such Bonds will not receive or have the right to receive physical delivery of the Bonds, and references herein to the bondowners or registered owners of such Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of such Bonds.

Transfers

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority of the securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the Omnibus Proxy.

Payments of Principal and Interest

So long as any Bond is registered in the name of DTC's nominee, all payments of principal of, premium, if any, and interest on such Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent or Bond Registrar, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Borrower or the Authority, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry-Only System

DTC may discontinue providing its services as a securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Bonds are required to be printed and delivered as described in the Loan and Trust Agreement.

The use of the system of book-entry transfers through DTC (or a successor securities depository) may be discontinued as described in the Indenture. In that event, the Bonds will be printed and delivered as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Placement Agent, the City and the Developer believe to be reliable, but none of the Placement Agent, the City or the Developer takes any responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

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