TRANSCRIPT OF PROCEEDINGS

RELATING TO

CITY OF GLADSTONE, MISSOURI

$14,840,000
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Legal Opinion by
Armstrong Teasdale LLP

CLOSING MEMORANDUM

CITY OF GLADSTONE, MISSOURI

$14,840,000
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Closing: June 24, 2021

This Memorandum sets forth the actions to be taken in connection with the authorization and delivery of City of Gladstone, Missouri, Certificates of Participation (Capital Projects), Series 2021A, in the principal amount of $14,840,000 (the "Certificates"). The documents and actions described herein and in the Closing List attached hereto are to be delivered and taken as a condition precedent to the delivery of the Certificates. Such delivery of documents and actions shall be deemed to have taken place simultaneously at the closing, and no delivery of documents, payments of moneys or other actions with respect to the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken.

The closing is scheduled for 10:00 a.m. on June 24, 2021, at the offices of Armstrong Teasdale LLP, Kansas City, Missouri. The items set forth on the Closing List will be examined, assembled and incorporated in the transcripts evidencing the authorization and delivery of the Certificates. Electronic copies of the transcript will be prepared and distributed to the following parties:

1. City of Gladstone, Missouri ("City").
2. Security Bank of Kansas City ("Trustee").
3. Robert W. Baird & Co., Inc. ("Underwriter").
4. Armstrong Teasdale LLP ("Special Counsel").
5. Baker Tilly Municipal Advisors, LLC (“Municipal Advisor”)

$14,840,000
CITY OF GLADSTONE, MISSOURI
(CAPITAL PROJECTS)
SERIES 2021A

LIST OF CLOSING DOCUMENTS

BASIC DOCUMENTS

1. Ground Lease.

2. Lease Purchase Agreement; Memorandum of Lease Purchase Agreement.

3. Indenture of Trust.

4. Tax Compliance Agreement with IRS Form 8038-G attached.

5. Preliminary Official Statement.

6. Official Statement.

7. Specimen Certificate.

8. Continuing Disclosure Agreement.

9. Notice of Sale; Bid Information.

DOCUMENTS TO BE DELIVERED BY THE CITY

10. Minutes of Meeting of the City Council showing adoption of Ordinance approving the transaction and authorizing the execution of documents; Certificate Regarding Notice of Meeting.

11. Ordinance approving the transaction and authorizing the execution of documents.

12. City's Closing Certificate.

13. Title Insurance Policy.

DOCUMENTS TO BE DELIVERED BY THE TRUSTEE

14. Trustee's Closing Certificate and Receipt for Purchase Price.

DOCUMENTS TO BE DELIVERED BY THE UNDERWRITER

15. Issue Price Certificate.

16. Rating Letter.

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17. Opinion of Special Counsel.

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Recorded in Clay County, Missouri
Date and Time: 06/24/2021 at 02:51:15 PM
Instrument Number: 2021027299
Book: 9093 Page: 129

Instrument Type: LEASE
Page Count: 10
Recording Fee: $51.00 S

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GROUND LEASE

between

CITY OF GLADSTONE, MISSOURI,
as Lessor/Grantor

and

SECURITY BANK OF KANSAS CITY,
as Lessee/Grantee

Dated as of June 1, 2021

Grantor Address: City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118
Attention: City Manager

Grantee Address: Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

Legal Description may be found on Page A-1 of this document.

GROUND LEASE

THIS GROUND LEASE (the "Ground Lease"), dated as of June 1, 2021, by and between the **CITY OF GLADSTONE, MISSOURI** (the "City"), as lessor, and **SECURITY BANK OF KANSAS CITY**, a state banking corporation organized under the laws of the State of Kansas in its capacity as Trustee under the herein defined Indenture (together with its successors, the "Trustee"), as lessee:

WITNESSETH:

WHEREAS, the City is a city and political subdivision duly organized and existing under the laws of the State of Missouri with full lawful power and authority to enter into this Ground Lease; and

WHEREAS, the Trustee is a Kansas state banking corporation with full lawful power and authority to enter into this Ground Lease; and

WHEREAS, the City owns fee simple title in the real estate described on **Exhibit A** attached hereto, together with any improvements located or to be located thereon (the "Leased Property"); and

WHEREAS, the City desires to lease all its present or hereafter acquired interest in the Leased Property to the Trustee upon the terms and conditions herein set forth; and

WHEREAS, the Trustee concurrently herewith (a) executed an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), under which the Trustee will issue City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A (the "Series 2021A Certificates") to provide funds to (i) finance or reimburse the City for the costs of certain capital improvement throughout the City (the "Project") and (ii) pay the costs of issuance of the Series 2021A Certificates, and (b) lease the Leased Property back to the City pursuant to a Lease Purchase Agreement of even date herewith (the "Lease");

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City and the Trustee do hereby covenant and agree as follows:

Section 1. Representations by the City. The City represents, warrants and covenants as follows:

(a) The lease of the Leased Property to the Trustee and the lease of the Leased Property by the Trustee to the City, as provided in the Lease, is necessary, desirable and in the public interest and the City hereby declares its current need for the Leased Property;

(b) The City has the power and authority to enter into the transactions contemplated by this Ground Lease and the Lease and to carry out its obligations hereunder and thereunder, and has been duly authorized to execute and deliver this Ground Lease and the Lease and by proper action has duly authorized the execution and delivery of this Ground Lease and the Lease;

(c) Neither the execution and delivery of this Ground Lease nor the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or the Leased Property is bound;

(d) The City has good and marketable fee title to the Leased Property free and clear of any liens or encumbrances, except Permitted Encumbrances, and such real estate is exempt from property and any other taxes levied by the State of Missouri or any other political subdivision;

(e) All taxes, assessments or impositions of any kind with respect to the Leased Property, except current taxes, if any, have been paid in full;

(f) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in any property now or hereafter included in the Leased Property shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Ground Lease and the Lease; and

(g) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal relating to the Leased Property or challenging the validity of the proceedings of the City authorizing this Ground Lease and the Lease or the power or authority of the City to enter into the Lease or this Ground Lease or the validity or enforceability of the Lease or this Ground Lease or which, if adversely determined, would adversely affect the transactions contemplated by the Lease or this Ground Lease or the interest of the City under the Lease or this Ground Lease.

(h) The lease of the Leased Property by the City, as provided in this Ground Lease, will enhance and expand the use of public facilities owned by the City and as a result thereof will serve all of the aforesaid purposes and is therefore essential, desirable and in the public interest.

(i) The Leased Property complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 2. Lease.

(a) The City hereby leases to the Trustee, and the Trustee hereby rents and leases from the City, the Leased Property on the terms and conditions hereinafter set forth.

(b) The City agrees that if, at any time prior to the termination of this Ground Lease, it acquires fee title or any other or greater estate to the Leased Property, that this Ground Lease shall attach and extend to such fee simple title or other or greater estate of the Leased Property.

Section 3. Additional Certificates. The Trustee may deliver Additional Certificates for the purposes and upon the terms and conditions provided in the Indenture. If the City is not in default hereunder, the Trustee agrees, on request of the City, from time to time, to use its best efforts to cause the Trustee to deliver the amount of Additional Certificates specified by the City (within the limits and under the conditions specified herein and in the Indenture), provided that (a) the terms, purchase price and disposition of proceeds of the sale of such Additional Certificates have been approved in writing by the City; (b) the City shall have entered into an amendment to the Lease, if necessary, and this Ground Lease, if necessary, to provide for the lease of any additional improvements and extensions to the property of the City and the payment by the City of additional Base Rentals related to the use of such additional improvements for the City; and (c) the Trustee shall have otherwise complied with the provisions of the Indenture with respect to the delivery of such Additional Certificates.

Section 4. Term. The term of this Ground Lease shall commence as of the date of the delivery hereof, and shall end on June 30, 2064, unless such term is sooner terminated as hereinafter provided.

Section 5. Rental. As and for rental hereunder and in consideration for the leasing of the Leased Property to the Trustee, the Trustee shall take the following actions:

(a) simultaneously with the delivery of this Ground Lease, enter into the Lease;

(b) simultaneously with the delivery of this Ground Lease, deposit the proceeds of the Series 2021A Certificates as provided in the Indenture.

Section 6. Assignment, Sublease, Release or Encumbrance. The Trustee may assign this Ground Lease and its rights hereunder or lease the Leased Property without the written consent of the City (i) if the Lease is terminated for any reason, or (ii) if an Event of Default has occurred and is continuing.

Section 7. Termination. This Ground Lease shall terminate upon the completion of the term set forth in **Section 3** hereof; provided, however, if the City pays, or provides for the payment of, the Option Price or pays all of the Base Rentals and Supplemental Rent provided for in **Article III** of the Lease and exercises its option to purchase the Trustee's interest in the Leased Property pursuant to **Article XII** of the Lease, then this Ground Lease shall be considered assigned to the City and terminated through merger of the leasehold interest hereunder with the fee interest of the City if the City is the owner of the fee interest.

If an Event of Default (which includes any grace period contained therein) under the Lease occurs or if the City terminates the Lease pursuant to **Section 3.09** of the Lease, the Trustee shall have the right to possession of the Leased Property for the remainder of the term of this Ground Lease and shall have the right to sublease the Leased Property or sell its interest in the Leased Property and this Ground Lease upon whatever terms and conditions it deems prudent; provided, however, that for the remainder of the term of this Ground Lease the Trustee (or, in the event of the Trustee's assignment of its rights hereunder, its then current assignee instead of the Trustee) shall provide, solely from funds available in the Trust Estate, the City with public liability insurance covering the premises for the remainder of the term of this Ground Lease and will furnish the Trustee with evidence thereof. Upon any termination of the Lease, the City shall have no further responsibility or liability to the Trustee under the Lease with respect to the Leased Property except as provided in the Lease and this Ground Lease; provided, however, in no event shall such limitation relieve the City of any amount it may be obligated to pay under the Lease.

Section 8. Default. Notwithstanding any default by the Trustee hereunder, the City shall not have the right to exclude the Trustee from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease) or to terminate this Ground Lease prior to the expiration of its term as set forth in **Section 3** hereof, except that if, upon the exercise of the option to purchase the Trustee's interest in the Leased Property granted to the City in **Article XII** of the Lease and after the payment of the purchase price specified therein and other sums payable under the Lease, the Trustee fails to convey its interest in the Leased Property to the City pursuant to said option, then the City shall have the right to terminate this Ground Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Trustee. In the event of any default by the Trustee hereunder, the City may maintain an action for damages or, if permitted in equity, for specific performance. In no event shall the Trustee be liable for consequential or punitive damages.

Section 9. Quiet Enjoyment.

(a) At all times during the term of this Ground Lease, the Trustee shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the rights of the City under the Lease.

(b) The Trustee shall use the Leased Property solely for the purpose of financing the costs of acquiring, constructing, improving, furnishing and equipping the Project and financing the costs of acquiring, constructing, improving, furnishing and equipping other improvements on the Leased Property for the City pursuant to the Lease; provided, that in the event of default or an event of nonappropriation by the City under the Lease, the Trustee may exercise the remedies provided in the Indenture, the Lease and this Ground Lease.

(c) In the event that title to, or the temporary use of, all or a portion of the Leased Property is challenged or threatened by means of competent legal or equitable action, the City covenants that it shall cooperate with the Trustee and shall take all reasonable actions, including where appropriate the lawful exercise of the City's power of eminent domain, in order to quiet title to the Leased Property in the City.

Section 10. No Merger. No union of the interests of the City and the Trustee herein shall result in a merger of this Ground Lease and the title to the Leased Property, except as described in **Section 6** hereof.

Section 11. Taxes and Assessments. So long as the Lease is in effect the City covenants and agrees to pay, and to hold harmless and indemnify the Trustee from and against, any and all assessments, charges or taxes of any kind or character levied or assessed upon or against the Leased Property. Upon any termination of the Lease, the Trustee (or, if the Trustee has assigned its rights hereunder, its then current assignee instead of the Trustee) shall be responsible for such assessments, charges or taxes, but solely from funds available in the Trust Estate.

Section 12. Covenants Regarding Environmental Matters. The City hereby covenants that it has carried at the Leased Property and agrees to carry on the business and operations at the Leased Property in a manner that complies in all respects, and will remain in compliance, with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment.

Section 13. Waiver of Personal Liability. All obligations or liabilities under this Ground Lease on the part of the Trustee are solely corporate liabilities of the Trustee as a corporation acting in its capacity as Trustee, and, to the extent permitted by law, the City hereby releases each and every director, officer, agent or employee of the Trustee of and from any personal or individual liability under this Ground Lease. No director, officer, agent or employee of the Trustee shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the Trustee hereunder.

All obligations or liabilities under this Ground Lease on the part of the City are solely corporate liabilities of the City as a municipal corporation, and, to the extent permitted by law, the Trustee hereby releases each and every official, member, employee or agent of the City of and from any personal or individual liability under this Ground Lease. No official, member, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the City hereunder.

Section 14. Eminent Domain; Title Insurance. The City shall concurrently with the execution of this Ground Lease obtain for the Trustee an ALTA form leasehold owner's policy of title insurance, such policy to be in the face amount equal to the principal amount Series 2021A Certificates naming the Trustee, as insured beneficiary of such policy, as its interests may appear, and issued by a title company duly authorized to issue the same and in a form acceptable to the Trustee showing fee simple title in the name of the City, as lessor, and a leasehold estate in the Leased Property in the name of the Trustee, as lessee. If the whole or any part of the Leased Property is taken by eminent domain proceedings, the

interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article VIII** of the Lease. The City hereby assigns to the Trustee its interest in any condemnation award or title insurance proceeds respecting the Leased Property to the extent necessary to provide for the payment of the Certificates and to discharge the Indenture in accordance with **Article VIII** thereof. Any proceeds from said title insurance shall be deposited with the Trustee and used to pay principal of and interest on the Certificates and to discharge the Indenture to the extent required and, thereafter, any excess shall be paid to the City.

In the event the whole or any part of the Leased Property or the Project is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in the Lease. The Trustee and the City have reached an agreement on the terms of the acquisition of the Leased Property at the City's option, and to the use of the Project, all as set forth in the Lease. Any acquisition of the Leased Property or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Base Rentals and the applicable Option Price as set forth in the Lease. If the City allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the maximum lease term or failure to cure an Event of Lease Default), that action shall constitute an irrevocable determination by the City that the Leased Property is not required by it for any public purpose for the term of this Ground Lease.

Section 15. Leaseback to the City. Contemporaneously herewith, the Trustee and the City will execute the Lease whereby the Trustee subleases back to the City and the City subleases from the Trustee the Leased Property, including all improvements constructed or installed on the Leased Property, including the Project, all in accordance therewith. The Lease includes in **Article XII** thereof the option of the City, upon payment of the specified purchase price, to purchase the Trustee's interest in the Leased Property.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Ground Lease is to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All written notices to be given under this Ground Lease shall be given by mail to the party entitled thereto as set forth in the Indenture.

Section 18. Definitions. In addition to words and terms defined elsewhere in this Ground Lease, capitalized words and terms used in this Ground Lease shall have the meanings given to such words and terms in **Section 1.01** of the Indenture.

Section 19. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

Section 20. Amendments, Changes and Modifications. This Ground Lease may be amended only in the manner provided in **Article VI** of the Indenture. Any waiver of any provision of this Ground Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

Section 21. Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 22. Execution. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may be executed by the Trustee and the City all with the same force and effect as though the same counterpart had been executed by both the Trustee and the City.

Section 23. Successors. This Ground Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 24. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 25. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Trustee and the City have caused this Ground Lease to be signed by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF GLADSTONE, MISSOURI,
as Lessor

By: _____
Name: Scott Wingerson
Title: City Manager

ATTEST:

_____
Name: Ruth Bocchino
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF CLAY)

On this 23 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, appeared **SCOTT WINGERSON**, to me personally known, who, being by me duly sworn, did say that he is the City Manager of the **CITY OF GLADSTONE, MISSOURI**, a political subdivision of the State of Missouri, and that said instrument was signed in behalf of said City by authority of its governing body, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

_____
Notary Public - State of Missouri

(SEAL)

My commission expires: _____

Connie M. Dixon
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: March 18, 2022
Commission #18935911

SECURITY BANK OF KANSAS CITY,
as Lessee

[SEAL]

By: _____
Name: Erica Lemon
Title: Vice President

ATTEST:

_____
Name: Pete Gardner
Title: SVP/Trust Manager

ACKNOWLEDGMENT

STATE OF KANSAS)
) **SS.**
COUNTY OF WYANDOTTE)

On this 21 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, appeared Erica Lemon, to me personally known, who, being by me duly sworn, did say that he/she is a Vice President of **SECURITY BANK OF KANSAS CITY**, a Kansas state banking corporation, and that said instrument was signed and sealed in behalf of said association by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

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

(SEAL) LISA M. SHATTO
Notary Public - State of Kansas
My Appt. Exp. 7/28/23

_____
Notary Public - State of Kansas

My commission expires: 7/28/23.

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

LEASE PURCHASE AGREEMENT

between

SECURITY BANK OF KANSAS CITY,
as Lessor

and

CITY OF GLADSTONE, MISSOURI,
as Lessee

Dated as of June 1, 2021

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (the "Lease") dated as of June 1, 2021, by and between **SECURITY BANK OF KANSAS CITY**, a Kansas state banking corporation in its capacity as Trustee under the Indenture (the "Lessor"), and the **CITY OF GLADSTONE, MISSOURI**, a third class City and political subdivision of the State of Missouri (the "Lessee").

WITNESSETH:

WHEREAS, the Lessee owns certain real estate as legally described in **Exhibit A** hereto and the improvements located thereon (the "Leased Property"); and

WHEREAS, the Lessee concurrently herewith is conveying to the Lessor a leasehold interest in all its present or hereafter acquired interest in the Leased Property pursuant to a Ground Lease dated as of June 1, 2021 (the "Ground Lease") by and between the Lessee and the Lessor; and

WHEREAS, the Lessor is willing to lease the Leased Property back to the Lessee, and the Lessee desires to lease the Leased Property from the Lessor, upon the terms and conditions and for the purposes set forth herein; and

WHEREAS, in order to provide funds to pay the costs of the Project (as described in **Exhibit B** hereto), the Lessor, as Trustee, concurrently herewith has executed an Indenture of Trust dated as of June 1, 2021 (the "Indenture") pursuant to which the Lessor will (1) execute and deliver City of Gladstone, Missouri (Capital Projects), Series 2021A, in the principal amount of $14,840,000 (the "Series 2021A Certificates"), evidencing interests in the right to receive such Base Rentals to be paid by the Lessee and other payments, revenues and receipts to be derived pursuant to the Lease, and (2) grant, assign and hold in trust all of its right, title and interest in and to the Lease (including its right to receive Base Rentals and certain other payments as provided therein) for the benefit and security of the Owners of the Certificates as therein provided; and

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined elsewhere in this Lease, capitalized words and terms used in this Lease shall have the meanings given to such words and terms in **Section 1.01** of the Indenture.

Section 1.02. Rules of Construction.

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

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

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this Lease to designated "Articles", "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein", "hereof", "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(e) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

ARTICLE II

DEMISE OF THE LEASED PROPERTY; LEASE TERM

Section 2.01. Demise of the Leased Property. In connection with the delivery of the Certificates, the Lessee has conveyed a leasehold interest in the Leased Property to the Lessor pursuant to the Ground Lease. The Lessor hereby rents, leases and demises to the Lessee, and the Lessee hereby leases from the Lessor, the Leased Property, subject to Permitted Encumbrances, on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease.

Section 2.02. Commencement of the Term of the Lease. The initial term of this Lease shall expire on June 30, 2021 (the "Initial Term"), subject to the Lessee's option to extend the term of this Lease for successive one-year renewal terms commencing July 1, 2021, and a final renewal term ending March 1, 2044 (herein referred to individually as a "Renewal Term" and collectively as the "Renewal Terms"). The terms and conditions of this Lease during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Base Rentals and the Option Price will be as specified in **Schedule I** attached hereto for each Renewal Term. Each option shall be exercised by the appropriation by the City Council of the Lessee, in accordance with applicable law, of sufficient moneys (after taking into account any moneys legally available for such purpose) specifically designated for the payment of Base Rentals required hereunder and adequate moneys to pay the reasonably estimated Supplemental Rent (calculated as provided in **Section 3.01(b)** hereof) for the next succeeding Renewal Term as provided herein. Such appropriation shall automatically extend the term of this Lease for the succeeding Renewal Term without any further action required by any officers or officials of the Lessee.

During the Term of this Lease, the Lessee covenants and agrees that the officials and officers of the City will include in the budget proposals submitted to the City Council of the Lessee, in each year during the Term of this Lease, a request or requests for an appropriation equal to the Base Rentals and reasonably estimated Supplemental Rent to become due during the next succeeding Renewal Term. It is the intention of the Lessee that the decision to appropriate the Base Rentals and reasonably estimated Supplemental Rent pursuant to this Lease shall be made solely by the City Council of the Lessee, and not by any officer or official of the Lessee. The Lessee presently expects to, in each Fiscal Year of the Lessee during the Term of this Lease, appropriate funds for the Base Rentals and the reasonably estimated Supplemental Rent so that the Base Rentals and Supplemental Rent to be paid during the succeeding Fiscal Year will be available for such purposes.

If, by the date on which the Lessee is required by law to have adopted a budget for the current fiscal year, sufficient funds are not appropriated by the City Council for the payment of the Base Rentals and the reasonably estimated Supplemental Rent during such fiscal year and funds are not otherwise legally available for such purpose, the Lessee shall vacate the Leased Property as of the expiration of the Initial Term or Renewal Term for which funds have been appropriated.

Section 2.03. Expiration or Termination of the Term of the Lease. The Term of this Lease will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property as described in **Section 2.04** hereof, upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term for which there occurs an Event of Nonappropriation (which is not thereafter waived by the Lessor as herein provided); (b) on the Optional Prepayment Date on which the Lessee has purchased the Lessor's interest in the Leased Property pursuant to **Section 12.01** hereof; (c) an Event of Default and a termination of the Term of this Lease as to the possessory interest of the Lessee as herein provided; (d) discharge of the Indenture as therein provided; or (e) March 1, 2044.

Section 2.04. Effect on the Lessee of Expiration or Termination of the Term of the Lease. The expiration or termination of the Term of this Lease as to the Lessee's right of possession of the Leased Property pursuant to **Section 2.03** hereof shall terminate all obligations of the Lessee hereunder (except to the extent that the Lessee incurred any obligation to pay Payments from moneys theretofore appropriated and available for such purpose) and shall terminate the Lessee's rights of use and occupancy of the Leased Property; provided, however, that all other terms of this Lease and the Indenture, including the continuation of the Lessee's purchase right under **Section 12.01** hereof, subject to the limitation set forth in **Section 12.04** hereof, and all obligations of the Lessor with respect to the Owners of the Certificates and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged or foreclosed, as provided in the Indenture. The termination or expiration of the Term of this Lease as to the Lessee's right of possession pursuant to **Section 2.03** hereof, of itself, shall not discharge the lien of the Indenture.

ARTICLE III

AMOUNTS PAYABLE

Section 3.01. Amounts Payable. The Lessee shall pay the Base Rentals and the Supplemental Rent (but shall not be entitled to prepay or cause to be prepaid any such Base Rentals or Supplemental Rent, except as otherwise expressly provided in the Indenture or in **Sections 3.01(c), 8.01(c)** and **12.01** hereof, in which event such moneys shall be applied to the prepayment of the Certificates in accordance with **Sections 2.02** and **3.06**, respectively, of the Indenture) in the amounts, at the times, and in the manner set forth herein, said amounts constituting in the aggregate the total of the annual Payments which are payable under this Lease, as follows:

(a) *Base Rentals*. The Lessee agrees, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose and subject to the use of proceeds from the sale of the Certificates to pay Base Rentals as provided herein, and otherwise subject to the limitations of **Section 3.04** hereof, to pay to the Lessor as provided in **Section 3.06** hereof during the Initial Term and each Renewal Term:

(i) Base Rentals representing a Principal Component payable in annual installments on March 1 for each Renewal Term of this Lease as indicated in the Base Rental Payment Schedule attached as **Schedule I** hereto; and

(ii) Base Rentals representing an Interest Component payable on each March 1 and September 1 for the Term of this Lease as indicated in the Base Rental Payment Schedule attached as **Schedule I** hereto.

The Base Rentals are to be recalculated by the Lessor and the Lessee understands that the Base Rental Payment Schedule attached as **Schedule I** hereto shall be revised from time to time in the event of a partial prepayment of Certificates (other than mandatory prepayments, if any, pursuant to **Section 3.02** of the Indenture) or the delivery of Additional Certificates pursuant to **Section 2.08** of the Indenture. To provide for the timely payment of Base Rentals, the Lessee covenants and agrees to pay to the Lessor for deposit in the Certificate Fund the following amounts on the following dates:

(i) With respect to each March 1 Base Rental, the City will deposit the amount of such Base Rental no later than the 15th Business Day prior to such payment date; and

(ii) With respect to each September 1 Base Rental, the City will deposit the amount of such Base Rental no later than the 15th Business Day prior to such payment date.

The City may satisfy the foregoing requirement to deposit funds by delivering US Treasury securities which will mature prior to the applicable Payment Date in a maturity amount of not less than the amount of the applicable Base Rental. The Lessor shall notify the Lessee of the amount of such payment not later than 30 days prior to each Payment Date; provided, however, that failure of the Lessor to give such notice shall not relieve the Lessee of its obligation to pay Base Rentals or to make deposits to the Certificate Payment Fund as described herein.

(b) *Supplemental Rent*. In addition to the Base Rentals hereinabove set forth, and as part of the total Payments during each Renewal Term for the Term of the Lease, the Lessee shall pay on a timely basis, to the parties entitled thereto, an amount or amounts (the "Supplemental Rent") for the Renewal Term to which the following items apply or relate, equivalent to the sum of the following:

(i) the annual fee of the Lessor for the ordinary services of the Lessor rendered and its ordinary expenses incurred under the Indenture;

(ii) the reasonable fees and charges of the Lessor, any paying agent and any registrar appointed under the Indenture with respect to the Certificates for acting as trustee, paying agent and registrar as provided in the Indenture, including but not limited to those payable pursuant to **Section 9.06** of the Indenture;

(iii) the reasonable fees and charges of the Lessor for extraordinary services rendered by it and extraordinary expenses incurred by it as Lessor under the Indenture.

(c) *Prepayment of Base Rentals*. If the Lessee is not in default in making Payments under **Section 3.01** hereof, the Lessor, at the written direction of the Lessee, at any time when the aggregate moneys in the Certificate Payment Fund are sufficient for such purposes, shall (i) if the Outstanding Certificates are then prepayable under **Article III** of the Indenture, take all steps that may be necessary under the applicable prepayment provisions of the Indenture to effect the prepayment of all or such part of the then Outstanding Certificates as may be specified by the Lessee, on such prepayment date as may be specified by the Lessee, (ii) cause moneys in the Certificate Payment Fund or such part thereof as the Lessee shall direct to be applied by the Lessor for the purchase of Certificates in the open market for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation, or (iii) a combination of (i) and (ii) as provided in such direction.

Section 3.02. Consideration. The payments of Base Rentals and Supplemental Rent hereunder for each Renewal Term during the Term of the Lease shall constitute the total Payments which are payable for each Renewal Term and shall be paid by the Lessee in consideration of the right to use and occupy the Leased Property.

The Lessee hereby declares its current need for the Leased Property. The Lessee has determined that the Base Rentals hereunder during the Initial Term and any Renewal Term represent the fair value of the use of the Leased Property, and that the Option Price as provided in **Schedule I** hereof represents the fair purchase price of the Lessor's interest in the Leased Property. The Lessee hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the Lessee under an economic compulsion to renew this Lease or to exercise its option to purchase the Lessor's interest in the Leased Property hereunder. In making such determinations the Lessee has given consideration to the costs of the Leased Property, the uses and purposes for which the Leased Property will be employed by the Lessee, the benefit to the Lessee by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and the Lessee's option to purchase the Lessor's interest in the Leased Property. The Lessee hereby declares that the period during which the Lessee has an option to purchase the Lessor's interest in the Leased Property (i.e., the maximum term of this Lease including all Renewal Terms) does not exceed the useful life of the Leased Property.

Section 3.03. Covenant to Request Appropriations. Subject to **Section 3.04** hereof, the Lessee agrees that it will (i) include in its budget request to the City Council of the Lessee all moneys that are necessary to fulfill the Lessee's obligations pursuant to this Lease, and (ii) seek an appropriation of such funds in a timely fashion so as to allow the Lessee to pay its obligations when due.

Section 3.04. Limitations on Liability.

(a) Notwithstanding any provision or covenant contained in this Lease, the Indenture or the Certificates, the Lessee is not obligated to renew this Lease beyond the Initial Term or any Renewal Term, nor is the City Council obligated to budget or appropriate moneys to pay Base Rentals or Supplemental Rent beyond the end of the Initial Term or any Renewal Term in effect at a given time. The Lessee shall be under no obligation to levy any taxes in order to raise revenues to pay Base Rentals or Supplemental Rent, except to the extent required during the Initial Term or any Renewal Term for which the Lessee is obligated. In no event shall the Lessee be obligated to levy any tax in excess of the maximum levy permitted by law.

If the Lessee fails to make any portion of the Payments due hereunder, the Lessee will immediately quit and vacate the Leased Property, and the Payments (except for Payments which have been appropriated and are then available for such purpose) shall thereupon cease. If the Lessee fails to pay any portion of the required Payments and then fails to immediately quit and vacate the Leased Property, the Lessor in accordance with the Indenture may immediately bring legal action to evict the Lessee from the Leased Property (and the Lessee shall, to the extent permitted by law, pay as damages for its failure to quit and vacate the Leased Property upon termination of the then current term of the Lease in violation of the terms hereof an amount equal to the Base Rentals otherwise payable during such term prorated on a daily basis) and commence proceedings to foreclose the lien of the Indenture. No judgment may be entered against the Lessee for failure to make any Payments, or to pay the Option Price hereunder, except to the extent that the Lessee has theretofore incurred liability to make any such Payments through its actual use and occupancy of the Leased Property, or through its exercise of an option that renews this Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to make such Payments pursuant to **Section 8.01** hereof.

(b) The Payments constitute current expenses of the Lessee. The Lessee's obligations hereunder are from year to year only and do not constitute an indebtedness, liability or a mandatory

payment obligation of the Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year of the Lessee. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the Lessee within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease nor the execution and delivery of the Certificates directly or indirectly obligates the Lessee to make any payments hereunder beyond those appropriated for the Lessee's then current Fiscal Year; provided, however, that nothing herein shall be construed to limit the rights of the Owners of the Certificates or the Lessor to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture. The Lessee shall be under no obligation whatsoever to exercise its option to purchase the Lessor's interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of the Lessee's moneys.

(c) No obligation assumed by or imposed upon the Lessor hereunder shall require the performance of any act by the Lessor except to the extent, if any, that the cost and expense of such performance may be provided for from the proceeds of the sale of the Certificates or from the proceeds of any Additional Certificates or paid by the Lessee hereunder as Supplemental Rent. Failure of the Lessor to perform any such act shall not entitle the Lessee to terminate this Lease.

Section 3.05. Unconditional Obligation. It is understood and agreed that:

(a) The obligations of the Lessee under this Lease to make Payments during the Initial Term or any Renewal Term on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall, subject to the provision of subsection (b) hereof, and **Section 3.09** herein, be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, diminution or defense whatsoever, whether now existing or hereafter arising, and notwithstanding any damage to, loss, theft or destruction of the Leased Property or any part thereof, any failure of consideration, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Leased Property, legal curtailment of the Lessee's use thereof, the eviction or constructive eviction of the Lessee, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the Lessor's legal organization or status, or any default of the Lessor hereunder, and regardless of the invalidity of any action of the Lessor, and regardless of the invalidity of any portion of this Lease.

(b) Nothing in this Lease shall be construed to release the Lessor from the performance of any agreement on its part herein contained or as a waiver by the Lessee of any rights or claims which the Lessee may have against the Lessor under this Lease or otherwise. Any recovery upon such rights and claims shall be had from the Lessor separately, it being the intent of this Lease that the Lessee shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to make Payments) for the benefit of the Owners of the Certificates, but only during the Initial Term or a given Renewal Term. The Lessee may, however, at its own cost and expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding if the Lessee shall so request.

Section 3.06. Payment. Each Base Rental payment shall be paid in lawful money of the United States of America, on the Payment Date on which it is due. Each Supplemental Rent payment shall be paid when due in lawful money of the United States of America, at the appropriate office as designated by the respective payees entitled to receive such Supplemental Rent.

Section 3.07. Credit on Base Rentals. There shall be credited against Base Rentals any amount held in the Certificate Payment Fund on each Payment Date, including the portion of the proceeds of the sale of the Certificates deposited in the Certificate Payment Fund as accrued interest.

Section 3.08. Applications of Base Rentals and Option Price. All Base Rentals and, if paid, the Option Price shall be paid to the Lessor for application in accordance with the Indenture.

Section 3.09. Nonappropriation.

(a) If the City Council does not appropriate, by the date on which the Lessee is required by law to have adopted a budget for the then current fiscal year, moneys sufficient to pay all Base Rentals and the reasonably estimated Supplemental Rent coming due during such fiscal year, an Event of Nonappropriation shall be deemed to have occurred. The Lessor may waive any Event of Nonappropriation which is cured by the Lessee within a reasonable time if, in the Lessor's judgment, such waiver is in the best interests of the Owners of the Certificates.

If an Event of Nonappropriation occurs, the Lessee shall not be obligated to pay the Base Rentals or Supplemental Rent provided for herein which accrue after the last day of the Initial Term or the then current Renewal Term, except for the Lessee's obligation to make Payments which are payable prior to the termination of this Lease; provided, however, that, subject to the limitations of **Section 3.04** hereof, the Lessee shall continue to be liable for the Base Rentals and Supplemental Rent allocable to any period during which the Lessee continues to occupy the Leased Property. The Lessor shall, upon the occurrence of any Event of Nonappropriation and a foreclosure of the lien of the Indenture, have all rights and remedies to take possession of the Leased Property as trustee for the benefit of the Owners of the Certificates and shall be further entitled to all moneys then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Lessor upon the termination of this Lease or the Lessee's possessory interests hereunder by reason of an Event of Nonappropriation shall be held by the Lessor under the Indenture for the benefit of the Owners of the Certificates as set forth in the Indenture until the Certificates are paid in full.

(b) The parties hereto agree that, upon the occurrence of an Event of Nonappropriation (which is not waived), the Lessee shall immediately quit and vacate the Leased Property upon termination of the term of the Lease for which funds have been appropriated.

Section 3.10. Advances by the Lessor. If the Lessee fails to pay any Supplemental Rent required by this Lease, the Lessor may (but shall be under no obligation to) pay such Supplemental Rent, which Supplemental Rent shall constitute additional Base Rentals hereunder and are to be reimbursed to the Lessor, by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose, together with interest thereon at the prime rate plus 2% of the Lessor.

ARTICLE IV

DELIVERY OF CERTIFICATES; USE OF PROCEEDS; TAX COVENANTS

Section 4.01. Delivery of Certificates. For the purpose of providing funds to (a) pay the costs of the Project, and (b) pay all costs and expenses incidental to the delivery of the Series 2021A Certificates, the Lessor shall cause the Certificates to be executed and delivered pursuant to the Indenture and shall cause the proceeds from the sale thereof to be applied as provided in the Indenture.

Section 4.02. Acquisition, Construction and Installation of the Project.

(a) The Lessee will acquire, construct and install the Project in accordance with the Construction Contracts and the Plans and Specifications. The Lessee may make minor changes in and to the Construction Contracts and the Plans and Specifications incorporated therein, but major changes shall only be made with the approval of the Trustee. The Lessee agrees that it will use its best efforts to cause the Project to be completed as soon as practicable with all reasonable dispatch. The Lessee agrees that the aforesaid construction and installation will, with such changes and additions as may be made hereunder, result in Leased Property suitable for use by the Lessee.

(b) The Lessee shall have and keep on file and available for inspection by the Lessor copies of the Plans and Specifications, the Construction Contracts, all policies of insurance with respect to the Project required by this Lease and all other documents executed by or furnished to the Lessee in connection with the acquisition and construction of the Project, throughout the Lease Term, or as soon after the commencement of the Lease Term as such documents shall become available to the Lessee. Neither such documents nor any change or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a material reduction in the value of the Project; or (iii) adversely affect the ability of the Lessee to meet its obligations hereunder.

Section 4.03. Deficiency of Construction Fund. If the moneys in the Construction Fund are insufficient to pay fully all Costs of the Project and to complete fully the Project lien free, the Lessee shall pay, but only from legally available funds, the full amount of any such deficiency by making payments directly to the contractors for the Project and to the suppliers of materials and services as the same become due; provided that the Lessee's obligation to pay any such deficiency shall be limited to its current budgeted appropriations for the Project, and the Lessee shall have no obligation to appropriate additional funds therefore.

Section 4.04. Tax Covenants. The Lessee covenants for the benefit of the purchasers and Owners of the Certificates from time to time Outstanding that so long as any of the Certificates remain Outstanding, it will not take any action or permit any action to be taken or omit to take any action or permit the omission of any action reasonably within its control which action or omission will cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code, which will cause such Certificates to be subject to treatment under Section 141 of the Code as "private activity bonds," or which will cause the Interest Component of Base Rentals with respect to Certificates to be included in gross income for federal and Missouri income tax purposes or otherwise adversely affect such exclusion of the Interest Component of Base Rentals from federal and State of Missouri income taxation. This covenant shall survive the termination of this Lease and the Indenture.

Section 4.05. Establishment of Completion Date. The Completion Certificate shall be delivered to the Trustee stating (i) that the acquisition, construction, improvement, furnishing and equipping of the Project has been completed in accordance with the Plans and Specifications, (ii) that all costs and expenses incurred in the acquisition, construction, improvement, furnishing and equipping of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Lessee, and (iii) amounts to be retained by the Trustee with respect to item (ii) above. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

ARTICLE V

MAINTENANCE AND OPERATION

Section 5.01. Maintenance and Operation. The Lessee shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The Lessee shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating, water and all other public utility services.

Section 5.02. Care of the Leased Property.

(a) The Lessee shall take good care of the Leased Property, fixtures and appurtenances, and suffer no waste or injury thereto, ordinary wear and tear excepted. The Lessee will repair all damage to the Leased Property, its fixtures and appurtenances due to any act or omission or cause whatsoever.

(b) There shall be no allowance to the Lessee for diminution in or abatement of the Payments and no liability on the part of the Lessor by reason of inconvenience, annoyance or injury to business arising or resulting from the Lessor, the Lessee or others making repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to fixtures or appurtenances thereof, and no liability upon the Lessor or others to make any repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to the fixtures or appurtenances thereof. The foregoing shall not be construed to mean that the Lessor has any such obligations.

ARTICLE VI

INSURANCE AND TAXES

Section 6.01. Casualty, Public Liability and Workers' Compensation Insurance.

(a) The Lessee shall at all times maintain or cause to be maintained with responsible insurers all such insurance (including casualty, public liability and workers' compensation insurance) on the Leased Property (valued as defined below) which is customarily maintained (in amounts not less than provided below) with respect to properties of like character.

The Lessee shall, during the term of this Lease, keep or cause to be kept a policy or policies of insurance against loss or damage to the Leased Property resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily defined as "extended coverage" and as commonly insured against for properties of like kind and character. Such insurance may be carried in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee. Such insurance shall be maintained in an amount not less than the principal amount of the then Outstanding Certificates or the full insurable value of the Leased Property, whichever amount is greater, subject to reasonable loss deductible clauses. The term "full insurable value" as used in this subsection shall mean the actual replacement cost of the Leased Property, without deduction for physical depreciation. The "full insurable value" shall be determined at the expense of the Lessee from time to time, but not less frequently than once in every thirty-six (36) months, and certified in writing to the Lessor.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of Missouri, except as otherwise

hereinafter provided. The Lessee may satisfy any of the insurance requirements set forth in this Section by using blanket policies of insurance, provided the Lessee complies with all requirements of this Section.

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days prior written notice to the Lessor. Certificates evidencing such policies shall be deposited with the Lessor together with appropriate evidence of payment of the premiums therefor, and at least thirty (30) days prior to expiration dates of expiring certificates held by the Lessor, new certificates shall be deposited with the Lessor together with evidence of payment of premiums with respect to insurance coverage evidenced thereby.

All policies of insurance must provide that the proceeds thereof shall name the Lessor as loss payee. The Net Proceeds of insurance carried pursuant to this **Section 6.01** shall be deposited into the Construction Fund under the Indenture to be applied to rebuild and repair the Leased Property or prepay Outstanding Certificates as provided in **Article VIII** hereof.

(b) Any deductible under any policies of insurance that the Lessee is required to keep or cause to be kept pursuant to **Section 6.01(a)** hereof may be insured through any self-insurance program of the Lessee.

(c) The Lessee shall comply with all reasonable rules, directions, requirements and recommendations of the local board of fire underwriters and other fire insurance rating organizations for the area in which the Leased Property is situated, pertaining to the Leased Property or the use and occupancy thereof. The Lessee shall not do or suffer to be done, or keep or suffer to be kept anything in, upon or about the Leased Property which will contravene any policies insuring against loss or damage by fire or other hazards, including but not limited to public liability insurance.

(d) Property and casualty insurance must apply exclusively to the Leased Property and must be available to repair/rebuild the Leased Property under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Leased Property shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the Lessee. The policy must explicitly waive any co-insurance penalty. Insurance certificates evidencing exclusive coverage (whether or not provided under a master policy) must be provided to the Trustee upon completion of the Project and annually thereafter. The property insurance proceeds must be paid to the Trustee and used to redeem the outstanding Certificates in full unless such proceeds plus any additional funds deposited with the Trustee are sufficient to fully rebuild or repair the Leased Property. Original copies of all insurance policies must be delivered annually to the Trustee within 30 days of purchase or renewal.

(e) All required insurance policies must be provided by a commercial insurer rated A by Best or in the two highest rating categories of S&P and Moody's. All policies shall name the Lessee, the Lessor, and the Trustee as insureds. Self-insurance or insurance reserves maintained by a joint exercise of powers authority for property and casualty and liability risks may be used provided that the following minimum conditions are met:

(1) The self insurance program must be approved by an independent insurance consultant;

(2) The self insurance program must be maintained on an actuarially sound basis and the Trustee will annually receive a certified actuarial statement attesting to the sufficiency of the program's assets;

(3) The self insurance fund must be held in a separate trust fund by an independent trustee; and

(4) In the event the self insurance program is discontinued, the actuarial soundness of the claim reserve fund must be maintained.

Section 6.02. Liens.

(a) Except with respect to Permitted Encumbrances and as otherwise herein or in the Indenture provided, the Lessee shall not directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property or the Project. Whenever and as often as any mechanics' or other lien is filed against the Leased Property or the Project, or any part thereof, the Lessee shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Lessor shall not be liable for any labor or materials furnished to the Lessee or to anyone claiming by, through or under the Lessee upon credit, and that no mechanics' or other lien shall attach to or affect the reversionary or other estate of the Lessor in and to the Leased Property or any part thereof.

(b) The Lessee, notwithstanding paragraph (a) above, shall have the right to contest any lien if and provided that the Lessee (i) within said 60-day period stated above notifies the Lessor in writing of the Lessee's intention to do so, (ii) diligently prosecutes such contest, (iii) at all times effectively stays or prevents any official or judicial sale of the Leased Property or the Project, or any part thereof or interest therein, under execution or otherwise, (iv) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (v) thereafter promptly procures records release or satisfaction thereof. The Lessee may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Counsel, by nonpayment of any such items, the interest of the Lessor in the Leased Property or the Project will be materially endangered or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly discharge such lien. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 6.03. Taxes.

(a) The Lessor and the Lessee understand and agree that the Leased Property constitutes public property free and exempt from all taxation; provided, however, that the Lessor agrees to cooperate with the Lessee, upon written request by the Lessee, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The Lessee agrees to reimburse the Lessor from Supplemental Rent for any and all costs and expenses thus incurred by the Lessor.

(b) Notwithstanding **Section 6.03(a)** hereof, if the Leased Property or any portion thereof is, for any reason, deemed subject to taxation, assessments or charges lawfully made by any governmental body, Supplemental Rent shall be paid by the Lessee equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Lessee shall be obligated hereunder to provide for Supplemental Rent only for such installments as are required to be paid during the term of this Lease. The Lessee shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the Payments and receipts from the Leased Property or any portion thereof prior to or on a parity with the charge

thereon and the pledge and assignment thereof to be created and made in the Indenture), or any interest therein (including the interest of the Lessor) or the Payments and revenues derived therefrom or hereunder.

ARTICLE VII

ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Section 7.01. Alterations, Additions and Improvements to the Leased Property. The Lessee shall have the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; provided, however, that no such alteration, addition or improvement shall reduce or otherwise materially and adversely affect the value of the Leased Property or the fair rental value thereof or materially alter or change the character or use of the Leased Property or impair the excludability from gross income for federal income tax purposes of the Interest Component of the Base Rentals represented by the Certificates. All additions, alterations or improvements made by the Lessee shall be made in a workmanlike manner and in strict compliance with all laws, ordinances, and regulations applicable thereto, when commenced, be completed with due diligence, and when completed, be deemed a part of the Leased Property.

Section 7.02. Title to Alterations, Additions and Improvements. Except as provided in **Section 7.03** hereof, all alterations, additions and improvements to the Leased Property shall become the property of the Lessor and shall constitute a part of the Leased Property for all purposes of this Lease and shall be subject hereto and to the Indenture.

Section 7.03. Lessee's Equipment.

(a) All of the Lessee's equipment and other personal property installed or placed by the Lessee in or on the Leased Property which is not a fixture under applicable law or which is not paid for with the proceeds of the sale of the Certificates shall remain the sole property of the Lessee in which the Lessor shall have no interest, and may be modified or removed at any time by the Lessee and shall not be subject to the lien of the Indenture. The Lessee shall repair any damage caused by such removal.

(b) If after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee moves out or is dispossessed and fails to remove any property of the Lessee at the time of such moving out or dispossession, then the Lessor may either regard such property as abandoned by the Lessee, in which case such property shall become the property of the Lessor subject to the Indenture, or may demand that the Lessee remove such property from the Leased Property. In the event of failure of the Lessee to comply with said demand, the Lessor may remove, sell or destroy such property.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.01. Damage, Destruction and Condemnation.

(a) If, during the term of the Lease (i) the Leased Property is destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Lessee or the Lessor in the Leased Property or

any portion thereof is taken under the exercise of the power of eminent domain by a governmental body or by any person, firm or corporation acting under governmental authority; or (iii) title to or the use of all or any portion of the Leased Property is lost by reason of defect in title; then, subject to **Sections 3.09(a)** and **8.01(c)** hereof, the Lessee shall continue to pay Base Rentals and Supplemental Rent and to take such action as shall be necessary to repair and replace the Leased Property using applicable Net Proceeds.

(b) In accordance with **Section 4.09** of the Indenture, the Lessor shall cause the Net Proceeds of any insurance policies (including any moneys derived from any self-insurance program), performance bonds or condemnation awards with respect to the Leased Property, to be deposited into the Construction Fund to be applied as provided herein and in **Section 4.09** of the Indenture. Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Lessee, except as otherwise provided in **Section 8.01(c)** hereof. The balance of any Net Proceeds remaining after the repair, restoration, modification, improvement or replacement has been completed are to be deposited into the Prepayment Fund. All repairs, restoration, modification, improvement or replacement of the Leased Property shall be made in a workmanlike manner and in strict compliance with all laws, ordinances and regulations applicable thereto, when commenced, be completed with due diligence, and when completed, be deemed a part of the Leased Property.

(c) If such Net Proceeds are insufficient to pay in full the cost of any such repair, restoration, modification, improvement or replacement, then the Lessee shall, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds:

(i) commence and thereafter complete the work and pay any cost in excess of the Net Proceeds, in which case the Lessee agrees that it will not be entitled to any reimbursement from the Lessor or the Owners of the Certificates, nor shall it be entitled to any diminution of the Base Rentals or Supplemental Rent; or

(ii) if such Net Proceeds are in an amount less than $200,000 (or such higher amount as may be approved by the Trustee) and the failure to repair or restore will not materially detract from the value of the Leased Property, then the Lessee may discharge its obligation to repair or replace the Leased Property by causing such Net Proceeds to be deposited into the Certificate Payment Fund; or

(iii) apply such Net Proceeds to the payment of the Option Price applicable as of the next occurring Payment Date, in which case, if the Net Proceeds are insufficient to pay the Option Price, the Lessee shall pay such amounts as are necessary to equal the full Option Price, and if the Net Proceeds exceed the Option Price, such excess shall be retained by the Lessee.

(d) The Lessee hereby agrees that any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Lessor subject to the Indenture, and will be included as part of the Leased Property subject to this Lease.

(e) The Lessor and the Lessee agree that it is the intent of the parties that the risk of any loss arising out of any damage, destruction or condemnation of the Leased Property shall be borne by the Lessee and not by the Lessor or the Owners of the Certificates. The Lessee hereby covenants and agrees that in the event of any such damage, destruction or condemnation, the Lessee will either repair, restore or replace the Leased Property to essentially their same condition before any such damage, destruction or condemnation or provide funds, either through payment of the Option Price or otherwise, necessary to prepay the Certificates at the earliest practicable date.

ARTICLE IX

ASSIGNMENTS

Section 9.01. Limitations on Assignment and Subleasing by Lessee.

(a) Except as provided in subsection (b) of this Section, the Lessee may not assign this Lease in whole or in part, and may not sublease the Leased Property in whole or in part, as long as any Certificates remain Outstanding, unless it receives an opinion of Special Tax Counsel that such assignment or sublease will not cause the inclusion of interest on the Certificates in gross income for federal and Missouri income tax purposes. In the event of any sublease of any kind of part or all of the Leased Property, the Lessee shall remain fully liable under the terms and conditions of this Lease.

(b) The Lessee may sublease the Leased Property on a short-term (less than 3 months) basis including all renewal options without the consent or notice to the Trustee.

ARTICLE X

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 10.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby represents, covenants and warrants for the benefit of the Lessor as follows:

(a) The Lessee has the power and authority to enter into the transactions contemplated by this Lease and the other documents contemplated hereby to which it is a party and to carry out its obligations hereunder and thereunder. The Lessee has been duly authorized to execute and deliver this Lease and such other documents as may be necessary or desirable related to the financing of the Costs of the Project and the leasing of the Leased Property and agrees that it will do or cause to be done all things necessary to preserve and keep this Lease (to the extent herein provided and subject to the limitations expressed herein, including but not limited to the limitations provided in **Section 3.04** hereof) in full force and effect.

(b) The Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessee from entering into this Lease and the other documents contemplated hereby to which it is a party or performing any of its obligations hereunder and thereunder.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Lease or any such other agreement or instruments in connection with the carrying out by the Lessee of its obligations hereunder or thereunder have been obtained.

(d) The Payments or any portion thereof is not (under the terms of this Lease or any underlying arrangement) directly or indirectly (i) secured by any interest in property used or to be used, directly or indirectly, in a trade or business carried on by any person other than any state or the United

States of America or any political subdivision, agency or instrumentality of a state or any entity acting by or on behalf of a state (a **"Governmental Unit"**) within the meaning of Section 141(b)(2) of the Code, or payments in respect of such property; or (ii) to be derived from payments (whether or not to the Lessee) in respect of property, or borrowed money, used or to be used, directly or indirectly, in a trade or business carried on by any person other than a Governmental Unit. The Leased Property will not be used, directly or indirectly, in a trade or business carried on by any person other than a Governmental Unit. No portion of the proceeds of the Certificates will be used, directly or indirectly, to make or finance loans to persons other than Governmental Units. The Lessee has not entered into any management contracts with respect to the use and operation of the Leased Property.

(e) The entering into and performance of this Lease or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any asset of the Lessee or on the Leased Property except as herein or in the Indenture provided.

(f) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease.

(g) During the term hereof, the Leased Property will be used by the Lessee only for the purpose of performing one or more essential governmental or proprietary functions (including related functions) of the Lessee or such other bodies consistent with the permissible scope of the Lessee's authority.

(h) The Lessee will comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers.

(i) Until the payment in full of the Certificates, the Lessee will from time to time, record, register and file all such notices, statements and other documents and take such other steps, including without limitation the amendment to any of the Lease, the Indenture, the Ground Lease and any other documents related to the Certificates and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the Lessor with respect to all security from time to time furnished under this Lease or intended to be so furnished and to preserve the excludability from gross income for federal and Missouri income tax purposes of the interest on the Series 2021A Certificates, in each case in such form and at such times as shall be satisfactory to the Lessor.

(j) Until the payment in full of the Certificates, the Lessee agrees not to create, incur, assume or permit to exist any mortgage, deed of trust, security interest (whether possessory or non-possessory) or other encumbrance of any kind (including without limitation the charge upon property purchased under conditional sale or other title retention agreement) in excess of $10,000.00 upon or on the Leased Property, other than (A) liens for taxes not delinquent or being contested as permitted hereunder; (B) liens in connection with workers' compensation, unemployment insurance or social security obligations; (C) mechanics', workmens', materialmens', landlords', carriers' or other like liens arising in the ordinary and normal course of business with respect to obligations which are not due or which are being contested hereunder; (D) liens in favor of the Lessor arising out of the transactions contemplated hereby; and (E) in connection with the issuance of Additional Certificates.

(k) The Lessee hereby agrees to comply with and punctually perform all of its obligations under the Ground Lease, including all obligations imposed by law.

Section 10.02. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants for the benefit of the Lessee and the Owners of the Certificates as follows:

(a) The Lessor has the power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Lessor has been duly authorized to execute and deliver this Lease.

(b) The Lessor is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessor from entering into this Lease or performing any of its obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessor of this Lease or in connection with the carrying out by the Lessor of its obligations under this Lease have been obtained.

(d) The Lessor will not pledge the Base Rentals, the Option Price, or any of its other rights hereunder and will not sell, assign, mortgage or encumber the Leased Property, except with the Trustee's written consent as provided herein and under the Indenture. All property and moneys received by the Lessor from the Lessee hereunder and under the Indenture for the Owner or Owners of the Certificates will be applied for the benefit of such Owner or Owners.

Section 10.03. Lessee's Covenants Relating to Compliance with Environmental Laws.

(a) The Lessee hereby covenants and agrees to carry on the business and operations at the Leased Property in a manner that complies in all respects, and will remain in compliance, with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment. The Lessee covenants, represents and warrants to the Lessor and its successors and assigns that, during the time the Lessee has owned the Leased Property, the Leased Property has complied with and will comply with, and the Lessee is not in violation of and will not violate, in connection with the ownership, use, maintenance or operation of the Leased Property and the conduct of the business related thereto, any applicable "Environmental Law", as hereinafter defined, relating to "Hazardous Materials", as hereinafter defined. The term **"Environmental Laws"** shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), the Clean Air Act, the Federal Water Pollution Control Act of 1972, and the Superfund Amendments and Reauthorization Act of 1986. The term **"Hazardous Materials"** shall mean any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation,

polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in any Environmental Law or other materials which may or could pose a hazard to the health and safety of the occupants of the Leased Property or the occupants and/or owners of property near the Leased Property.

(b) The Lessee, its agents, employees and independent contractors shall not cause or permit the Leased Property or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all Federal, state and local laws or regulations, nor shall the Lessee, its agents, employees and independent contractors cause or permit, as a result of any intentional or unintentional act or omission on the part of the Lessee, its agents, employees and independent contractors, a release of Hazardous Materials onto the Leased Property.

(c) The Lessee shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Leased Property (A) in accordance with all applicable Environmental Laws, (B) to the satisfaction of the Lessor and (C) in accordance with the orders and directives of all Federal, state and local governmental authorities.

(d) The Lessee agrees to defend, indemnify and hold harmless the Lessor from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (i) the presence, disposal, release or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; or (iii) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Lessor, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. The amount of all such indemnified loss, damage, expense or cost, shall bear interest thereon at the prime rate of the Lessor plus 2%, and shall become immediately due and payable in full on demand of the Lessor. The Lessee shall be notified in writing of any event requiring indemnification hereunder and the Lessee shall have the right to defend the Lessor with counsel approved by the Lessor.

(e) In the event that the Lessor elects to control, operate, sell or otherwise claim property rights in the Leased Property upon the occurrence of an Event of Default, the Lessee shall deliver the Leased Property free of any and all Hazardous Materials so that the conditions of the Leased Property conform with all applicable Environmental Laws. Prior to any such delivery of the Leased Property, the Lessee shall pay the Lessor, from its own funds, any amounts then required under subsection (d) above.

(f) The Lessee further represents and warrants as follows:

(i) there are no existing or pending statutes, orders, standards, rules or regulations relating to environmental matters requiring any remedial actions or other work, repairs, construction or capital expenditures with respect to the Leased Property, nor has the Lessee received any notice of any of the same;

(ii) no Hazardous Materials have been or will be released into the environment, or have been spilled, discharged, or disposed of at, on or near the Leased Property except as previously disclosed in writing to the Lessor by or on behalf of the Lessee, nor has or will the Leased Property be used at any time by any person as a landfill or a disposal Leased Property for Hazardous Materials;

(iii) there are no electrical transformers or other equipment containing dielectric fluid containing polychlorinated biphenyls located in, on or under the Leased Property, nor is there any friable asbestos contained in, on or under the Leased Property, nor will the Lessee permit the installation of the same;

(iv) there are no locations off the Leased Property where Hazardous Materials generated by or on the Leased Property have been treated, stored, deposited or disposed of;

(v) the Lessee, its agents, employees and independent contractors will remove any underground storage tanks located on the Leased Property;

(vi) no notices of any violation of any of the matters referred to in the foregoing sections relating to the Leased Property or their use have been received by the Lessee and there are no writs, injunctions, decrees, orders or judgments outstanding, and no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Leased Property, nor is there any basis for any such lawsuit, claim, proceeding or investigation being instituted or filed; and

(vii) the Leased Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites nor any other log, list, schedule, inventory or record of Hazardous Materials or Hazardous Waste Sites whether maintained by the United States, or any state or local governmental unit.

(g) With the exception of the representations and warranties in paragraph (f) above regarding the non-receipt of notice by the Lessee [subparagraph (f) (i) above], the absence of notices of violations [subparagraph (f) (vi) above] and the non-inclusion of the Leased Property on the various lists described in subparagraph (f) (vii) above, all statements by the Lessee as set forth in this **Section 10.03** as to past or existing facts shall be deemed representations and warranties made to the best of the Lessee's knowledge after having made due inquiry. All other statements of past or present facts shall be deemed representations and warranties by the Lessee without limitation based upon actual knowledge or inquiry. All such statements regarding future acts to be performed or refrained from shall be deemed covenants to be complied with by the Lessee without limitation based upon knowledge or inquiry.

(h) The covenants, representations, warranties and indemnities in this **Section 10.03** (i) shall survive any termination of this Lease due to an Event of Nonappropriation or other event prior to payment in full of the Certificates and (ii) shall be deemed continuing covenants, representations, warranties and indemnities running with the land for the benefit of the Lessor, and its successors and assigns including any purchaser at a foreclosure sale, any transferee of the title of the Lessor or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Leased Property claiming through or under the title of the Lessor.

ARTICLE XI

AMENDMENTS

Section 11.01. Amendments, Changes and Modifications. This Lease may be amended, changed or modified only in the manner provided in **Article VI** of the Indenture.

ARTICLE XII

LESSEE'S OPTION TO PURCHASE THE LESSOR'S INTEREST IN THE LEASED PROPERTY

Section 12.01. Option to Purchase the Lessor's Interest in the Leased Property. The Lessee may purchase the Lessor's interest in the Leased Property subject to the terms hereof on any Optional Prepayment Date by delivering written notice to the Lessor not less than sixty (60) days prior to the Optional Prepayment Date on which the option is to be exercised. The purchase price to be paid by the Lessee to exercise the option provided herein shall be an amount equal to (a) the Option Price applicable on such Optional Prepayment Date as indicated on the Option Price Schedule attached hereto as **Schedule II**, plus interest, premium, if any, and fees, costs and expenses (including fees, costs and expenses of the Lessor) which must be paid to prepay the then Outstanding Certificates, less all amounts in reserves held by the Lessor under the Indenture which may be applied to the Prepayment of such Outstanding Certificates and such other expenses, (b) all costs of transferring the Lessor's interest in the Leased Property to the Lessee and (c) all other reasonable costs and expenses incidental thereto. Nothing herein shall be construed to create any obligation of the Lessee to purchase the Lessor's interest in the Leased Property.

Section 12.02. Vesting of Title.

(a) Title to the Leased Property will be held in the name of the Lessee, subject to the Ground Lease, this Lease and the Indenture.

(b) The Lessor's interest in the Leased Property shall be transferred to the Lessee (i) on the Optional Prepayment Date on which the Lessee has indicated pursuant to **Section 12.01** hereof its intention to purchase the Leased Property, provided the Lessee pays to the Lessor the amounts required to be paid pursuant to **Section 12.01** hereof at least 15 days before such date; (ii) after payment of all Base Rentals for all Renewal Terms and all then accrued Supplemental Rent; or (iii) when the lien of the Indenture has been discharged in accordance with the terms thereof, other than by foreclosure of such lien.

Section 12.03. Partial Prepayments.

(a) The Lessee may prepay Base Rentals in part on each Optional Prepayment Date by delivering written notice to the Lessor not less than sixty (60) days prior to each Optional Prepayment Date indicating the Lessee's intention to prepay Base Rentals and the amount of the prepayment. The Lessee may exercise the option provided herein by paying to the Lessor not less than 60 days (or such lesser time as the Lessor may approve) prior to the Option Prepayment Date an amount equal to the Prepayment Price permitted in **Section 3.02(b)** of the Indenture.

(b) The Principal Component of Base Rentals prepaid pursuant to this Section shall be in integral multiples of $5,000 and shall be credited in the order of stated payment dates determined by the Lessee. Upon any partial prepayment, (i) the amount of each Interest Component of Base Rentals coming due thereafter shall be reduced by the amount of such Interest Component attributable to the prepaid Principal Component determined by applying the annual interest rate corresponding to the prepaid Principal Component as shown on **Schedule I** hereto, and (ii) the Option Price shall be reduced by the amount of any Principal Component of Base Rentals so prepaid.

Section 12.04. Relative Position of Option and Indenture. The option granted to the Lessee in this Article shall remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default under this Lease, provided that such default will not result in nonfulfillment of any

condition to the exercise of any such option and further provided that all options herein granted shall terminate 90 days following the termination of this Lease.

Section 12.05. Obligation of the Lessee to Accept Conveyance of Lessor's Interest in Leased Property. The Lessee hereby agrees to accept conveyance of, and the Lessor hereby agrees to convey to the Lessee, all of the Lessor's right, title and interest in and to the Leased Property at the expiration of the Term of the Lease following full payment of the Certificates or provision for payment thereof having been made in accordance with the provisions of the Indenture. Upon conveyance of the Lessor's interest in the Leased Property to the Lessee, there shall be cancelled all encumbrances on the Leased Property, except for Permitted Encumbrances (other than the Lease and Ground Lease), encumbrances that the Lessee has consented to and encumbrances which will not significantly interfere with the Lessee's enjoyment of the Leased Property.

Section 12.06. No Obligation to Purchase. The Lessee shall be under no obligation whatsoever to exercise its option to purchase the Lessor's interest in the Leased Property.

Section 12.07. Determination of Fair Purchase Price; Acquisition of the Leased Property.

(a) The Lessee and the Lessor hereby agree and determine that the Base Rentals hereunder during the Initial Term and any Renewal Term represents the fair value of the use of the Leased Property and that the amount required to exercise the Lessee's option to purchase Lessor's interest in the Leased Property pursuant to **Section 12.01** represents, as of that date, the fair purchase price of the Leased Property. The Lessee hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Leased Property hereunder. In making such determinations, the Lessee and the Lessor have given consideration to the Costs of the Project, the uses and purposes for which the Leased Property will be employed by the Lessee, the benefit to the Lessee by reason of the acquisition, construction, equipping and installation of the Project and the use and occupancy of the Leased Property pursuant to this Lease and Lessee's option to purchase the Leased Property.

(b) The Lessee is entering into this Lease to acquire the use of the Leased Property during the Lease Term, and with the current intent of acquiring the Leased Property in accordance with **Section 12.01**, for its public purposes. Any acquisition of the Leased Property or rights to their use by the Lessee (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with this Lease, including payment of Base Rentals and the applicable Option Price. If the Lessee allows this Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend this Lease Term or failure to cure an Event of Default), that action shall constitute an irrevocable determination by the Lessee that the Leased Property is not required by it for any public purpose for the term of the Ground Lease. This Section shall survive the termination of this Lease for any reason.

ARTICLE XIII

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 13.01. Right of Entry. The Lessor and its designated representatives shall retain the right to enter upon the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Lessor's rights or obligations under this Lease, or (c) for all other lawful purposes.

Section 13.02. Covenant of Quiet Enjoyment.

(a) The Lessor covenants and agrees that, as long as the Lessee is not in default under this Lease, the Lessee shall have the sole and exclusive possession of the Leased Property (subject to Permitted Encumbrances) and shall and may peaceably and quietly have, hold and enjoy the Leased Property during the Term of the Lease. The Lessor covenants and agrees that it will not take any action, other than pursuant to **Article XIV** hereof, to prevent the Lessee from having quiet and peaceable possession and enjoyment of the Leased Property during the Term of the Lease and will, at the request and expense of the Lessee, cooperate with the Lessee in order that the Lessee may have quiet and peaceable possession and enjoyment of the Leased Property and will defend the Lessee's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the Lessee shall have the right to use the Leased Property for any lawful purpose. The Lessee shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property or to any adjoining public ways, as to the manner of use or the condition of the Leased Property or of adjoining public ways. The Lessee shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried pursuant to the provisions of **Article VI** hereof. The Lessee shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Lessee to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Lessee shall have the right, at its own cost and expense, to contest or review by legal or other appropriate statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Lessee may refrain from complying therewith if the Lessee furnishes on request of the Lessor, at the Lessee's expense, indemnity satisfactory to the Lessor.

ARTICLE XIV

EVENTS OF DEFAULT; REMEDIES

Section 14.01. Events of Default Defined. Any of the following shall be an "Event of Default" under this Lease:

(a) Failure by the Lessee to pay any Base Rentals required to be paid under **Section 3.01(a)** hereof when such Base Rentals are due and payable; or

(b) Failure by the Lessee to pay or cause to be paid any Supplemental Rent during the term of this Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is received by the Lessee from the Lessor; or

(c) Failure by the Lessee to vacate the Leased Property at the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs; or

(d) Failure by the Lessee to observe and perform any covenant, condition or agreement herein on its part to be observed or performed, other than as referred to in **Sections 14.01(a)**, **14.01(b)** or **14.01(c)** hereof, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Lessee by the Lessor, unless the Lessor agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period and if corrective action is instituted by the Lessee within

the applicable period and diligently pursued until the default is corrected such failure shall not be an Event of Default; or

(e) Any representation or warranty (i) made by the Lessee pursuant to **Section 10.01** hereof or (ii) contained in any certificate delivered in connection with this Lease proves to have been false or misleading in any material respect when made; or

(f) The entry of a final nonappealable order or decree in any court of competent jurisdiction enjoining or restraining the construction or development of the Leased Property or enjoining, restraining or prohibiting the Lessee from consummating the transactions contemplated by this Lease; or

(g) Any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Lessee, and if instituted against the Lessee, is consented to by the Lessee or is not dismissed within 60 days.

The foregoing provisions of this **Section 14.01** are subject to the following limitations: (i) the obligations of the Lessee to make payments of the Base Rentals and the Supplemental Rent shall be subject to the provisions of **Article III** hereof with respect to an Event of Nonappropriation; and (ii) if, by reason of Force Majeure (as such term is hereinafter defined), the Lessee is unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the Lessee contained in **Article III** hereof, the Lessee shall not be deemed in default during the continuance of such inability. The settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Lessee, unfavorable to the Lessee. As used herein the term **"Force Majeure"** means, without limitation, the following: acts of God; strikes; lockouts or other disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Missouri or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; lightning; earthquakes; fire; storms; floods; washouts; arrests; restraints of government and people; civil disturbances; explosions; or partial or entire failure or unavailability of utilities.

Section 14.02. Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default, the Lessor shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to make all Payments due for such Initial Term or Renewal Term, as appropriate, in the case of an Event of Nonappropriation) and may, without any further demand or notice, (i) terminate this Lease or the Lessee's possessory rights hereunder (without otherwise terminating this Lease), re-enter the Leased Property and eject all parties in possession thereof therefrom, and rent the Leased Property or, at its option, sell the Leased Property; or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Leased Property.

(b) Upon the termination of the term of this Lease or the Lessee's possessory interests herein by reason of an Event of Nonappropriation or an Event of Default, all moneys then held in any fund or account under the Indenture and any Net Proceeds received on such reletting or sale shall be held by the Lessor for the benefit of the Owners of the Certificates (and applied from time to time as provided in **Section 8.05** of the Indenture). Notwithstanding anything herein to the contrary, the Lessor shall be entitled to relet the Leased Property for such period as is necessary for the Lessor to obtain sufficient moneys to pay in full the Principal Component, premium, if any, and Interest Component of Base Rentals with respect to the Certificates, and the obligations of the Lessor with respect to the Owners of the

Certificates and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Indenture except as a result of foreclosure.

Section 14.03. Reserved.

Section 14.04. Remedies Cumulative. The rights and remedies given or reserved herein to the Lessee and the Lessor are and shall be deemed to be cumulative. The exercise or non-exercise of any shall not be deemed to be an election excluding the exercise or non-exercise at any other time of a different or inconsistent right or remedy or the maintenance of any action either at law or in equity.

Section 14.05. Waiver. The delay or failure of the Lessor at any time to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred unless otherwise agreed. The receipt and acceptance by the Lessor of any Payments, in whole or in part with knowledge of the breach of any term, covenant or condition hereof, shall not be deemed a waiver of such breach and no waiver of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Lessor.

Section 14.06. Curing Lessee's Breach. If the Lessee defaults in the observance or performance of any term or covenant on the Lessee's part to be observed or performed under or by virtue of any of the terms of this Lease, the Lessor may (but shall not be obligated to do so) immediately, or at any time thereafter and without notice, and to the extent permitted by law, perform or cause to be performed the same for the account of the Lessee. Any sums paid or obligations incurred in connection therewith shall be deemed to be Supplemental Rent hereunder and shall be paid by the Lessee to the Lessor for appropriate disbursement within forty-five (45) days of the rendering of any bill or statement to the Lessee therefor; provided, however, that nothing herein shall be construed to obligate the Lessee to pay any such Supplemental Rent from any funds other than moneys legally available and appropriated for such purpose.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by one party to another party shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows; provided, however, that notice to the Lessor shall only be effective upon actual receipt:

If to the Lessee:	City of Gladstone, Missouri 7010 North Holmes Gladstone, Missouri 64118 Attention: City Manager
If to the Lessor:	Security Bank of Kansas City 701 Minnesota Avenue, Suite 206 Kansas City, Kansas 66101 Attn: Corporate Trust Department

Section 15.02. Filing Continuation Statements. The Lessee shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Lessor in the Leased Property, to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to each fifth anniversary of the initial delivery of the Certificates, the Lessor shall deliver to the Trustee evidence of the filing of continuations of all Uniform Commercial Code financing statements that were initially filed to evidence any security interest hereunder and an opinion of counsel indicating that all filings and recordings have been made to perfect and protect such interests under applicable law. The obligations under this Section shall survive any termination of this Lease.

Section 15.03. Waiver of Personal Liability. All obligations or liabilities under this Lease on the part of the Lessor are solely corporate liabilities of the Lessor as a corporation in its capacity as Trustee, and, to the extent permitted by law, the Lessee hereby releases each and every director, officer, agent or employee of the Lessor of and from any personal or individual liability under this Lease. No director, officer, agent or employee of the Lessor shall at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by the Lessor hereunder.

All obligations or liabilities under this Lease on the part of the Lessee are solely liabilities of the Lessee as a political subdivision, and, to the extent permitted by law, the Lessor hereby releases each and every official, employee or agent of the Lessee of and from any personal or individual liability under this Lease. No official, employee or agent of the Lessee shall at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by the Lessee hereunder.

Section 15.04. Governing Law. This Lease is made in the State of Missouri under the Constitution and laws of such State and is to be so construed.

Section 15.05. Lessee's Obligation to Operate. The Lessee shall be obligated to use and operate the Leased Property so as to afford to the public the benefits contemplated by this Lease.

Section 15.06. Execution in Counterparts. This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease. Separate counterparts of this Lease may be separately executed by the Lessor and Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee.

Section 15.07. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Lease, or the application thereof to any person or circumstance, is to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 15.08. Successors and Assigns; Third Party Beneficiaries.

(a) This Lease and the covenants, conditions, and agreements herein contained shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

(b) This Lease is executed by the Lessee in part to induce the purchase by others of the Certificates, and for the further securing of the Certificates. As long as any Certificates are Outstanding,

all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the Owners from time to time of the Certificates, but may be enforced by or on behalf of such Owners only in accordance with the provisions of the Indenture. This Lease shall not be deemed to create any right in any person who is not a party (other than the successors and permitted assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the successors and permitted assigns of a party hereto), except in each case the Owners from time to time of the Certificates and the Lessor.

Section 15.09 Captions and Headings. The captions and headings used throughout this Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Lease, nor in any way affect this Lease.

Section 15.10. "Net Lease". The parties hereto agree (i) that this Lease shall be deemed and construed to be a "net lease" that requires the Lessee to pay all expenses, taxes, fees, insurance premiums, rebate payments, reserve deposits and costs associated with the Leased Property, the Lease, the Ground Lease, the Indenture and the Certificates without the right of offset, and (ii) that if after the principal of, redemption premium, if any, and interest components represented by the Certificates and all costs incident to the payment of the Certificates have been paid in full the Trustee holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, after payment therefrom of all sums then due and owing by the Lessee under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Lessee.

Section 15.11. Indemnification. The Lessee shall, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose, indemnify and hold harmless the Lessor from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Lessor may incur (or which may be claimed against the Lessor by any person or entity whatsoever) and which are not caused by the gross negligence or willful misconduct of the Lessor.

Section 15.12. Consent Not to be Unreasonably Withheld. Whenever any party hereto is required in this Lease to obtain the consent of any other party hereto such consent shall not be unreasonably withheld or delayed.

Section 15.13. No Merger. Neither this Lease nor the Ground Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the Lessee to the Leased Property under the Ground Lease and the Lessee's leasehold interest therein under this Lease.

Section 15.14. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a legal holiday or a day on which banking institutions in the city in which the principal business office of the Lessor or the Lessee is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day that is not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the date provided in this Lease.

Section 15.15. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be signed by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

SECURITY BANK OF KANSAS CITY,
as Trustee

[SEAL]

By: Erica J. Lemon
Name:
Title: Erica Lemon
Vice President

ATTEST:

Name: Pete Gardner
Title: SVP/Trust Manager

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

On this 21 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Erica Lemon and Pete Gardner, who acknowledged themselves to be the Vice President and Senior Vice President, respectively, of **SECURITY BANK OF KANSAS CITY**, a national banking association, and that said instrument was signed and sealed in behalf of said association by authority of its Board of Directors, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

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

LISA M. SHATTO
Notary Public - State of Kansas
My Appt. Exp. 7/28/23

Lisa M. Shatto
Notary Public - State of Kansas

My Commission Expires:

7/28/23

LESSEE:

CITY OF GLADSTONE, MISSOURI

By: _____
Name: Scott Wingerson
Title: City Manager

ATTEST:

_____
Name: Ruth Bocchino
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF CLAY)

On this 23 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared **Scott Wingerson** and **Ruth Bocchino**, who acknowledged themselves to be the City Manager and City Clerk, respectively, of the **City of Gladstone, Missouri**, said instrument was signed in behalf of said City by authority of its City Council, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

_____
Notary Public - State of Missouri

My Commission Expires:

Connie M. Dixon
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: March 18, 2022
Commission #18935911

Lease Purchase Agreement

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

EXHIBIT B

DESCRIPTION OF THE PROJECT

Proceeds of the Certificates will be used to finance (i) the construction of a new Public Safety Headquarters; (ii) renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall.

SCHEDULE I

SCHEDULE OF RENTAL PAYMENTS AND PURCHASE PRICE

Payment Date	Principal Component	Interest Component	Option Price on Payment Date through but excluding next Payment Date*
09/01/2021	$ -	$ 87,685.09	n/a
03/01/2022	$ 545,000.00	$ 235,571.88	n/a
09/01/2022	$ -	$ 221,946.88	n/a
03/01/2023	$ 425,000.00	$ 221,946.88	n/a
09/01/2023	$ -	$ 211,321.88	n/a
03/01/2024	$ 475,000.00	$ 211,321.88	n/a
09/01/2024	$ -	$ 199,446.88	n/a
03/01/2025	$ 490,000.00	$ 199,446.88	n/a
09/01/2025	$ -	$ 187,196.88	n/a
03/01/2026	$ 510,000.00	$ 187,196.88	n/a
09/01/2026	$ -	$ 174,446.88	n/a
03/01/2027	$ 520,000.00	$ 174,446.88	n/a
09/01/2027	$ -	$ 161,446.88	n/a
03/01/2028	$ 535,000.00	$ 161,446.88	n/a
09/01/2028	$ -	$ 148,071.88	n/a
03/01/2029	$ 565,000.00	$ 148,071.88	n/a
09/01/2029	$ -	$ 133,946.88	n/a
03/01/2030	$ 590,000.00	$ 133,946.88	n/a
09/01/2030	$ -	$ 119,196.88	n/a
03/01/2031	$ 620,000.00	$ 119,196.88	$ 9,565,000.00
09/01/2031	$ -	$ 103,696.88	$ 9,565,000.00
03/01/2032	$ 650,000.00	$ 103,696.88	$ 8,915,000.00
09/01/2032	$ -	$ 93,946.88	$ 8,915,000.00
03/01/2033	$ 670,000.00	$ 93,946.88	$ 8,245,000.00
09/01/2033	$ -	$ 83,896.88	$ 8,245,000.00
03/01/2034	$ 725,000.00	$ 83,896.88	$ 7,520,000.00
09/01/2034	$ -	$ 76,646.88	$ 7,520,000.00
03/01/2035	$ 725,000.00	$ 76,646.88	$ 6,795,000.00
09/01/2035	$ -	$ 69,396.88	$ 6,795,000.00
03/01/2036	$ 730,000.00	$ 69,396.88	$ 6,065,000.00
09/01/2036	$ -	$ 62,096.88	$ 6,065,000.00
03/01/2037	$ 745,000.00	$ 62,096.88	$ 5,320,000.00
09/01/2037	$ -	$ 54,646.88	$ 5,320,000.00
03/01/2038	$ 760,000.00	$ 54,646.88	$ 4,560,000.00
09/01/2038	$ -	$ 47,046.88	$ 4,560,000.00
03/01/2039	$ 770,000.00	$ 47,046.88	$ 3,790,000.00
09/01/2039	$ -	$ 39,346.88	$ 3,790,000.00

03/01/2040	$ 730,000.00	$ 39,346.88	$ 3,060,000.00
09/01/2040	$ -	$ 32,046.88	$ 3,060,000.00
03/01/2041	$ 745,000.00	$ 32,046.88	$ 2,315,000.00
09/01/2041	$ -	$ 24,596.88	$ 2,315,000.00
03/01/2042	$ 760,000.00	$ 24,596.88	$ 1,555,000.00
09/01/2042	$ -	$ 16,521.88	$ 1,555,000.00
03/01/2043	$ 770,000.00	$ 16,521.88	$ 785,000.00
09/01/2043	$ -	$ 8,340.63	$ 785,000.00
03/01/2044	$ 785,000.00	$ 8,340.63	$ -

***The Option Price in the event of damage, casualty, condemnation or deficiency of title shall be determined as follows:**

Payment Date	Option Price on Payment Date through but excludin next Payment Date*
09/01/2021	$ 14,840,000.00
03/01/2022	$ 14,295,000.00
09/01/2022	$ 14,295,000.00
03/01/2023	$ 13,870,000.00
09/01/2023	$ 13,870,000.00
03/01/2024	$ 13,395,000.00
09/01/2024	$ 13,395,000.00
03/01/2025	$ 12,905,000.00
09/01/2025	$ 12,905,000.00
03/01/2026	$ 12,395,000.00
09/01/2026	$ 12,395,000.00
03/01/2027	$ 11,875,000.00
09/01/2027	$ 11,875,000.00
03/01/2028	$ 11,340,000.00
09/01/2028	$ 11,340,000.00
03/01/2029	$ 10,775,000.00
09/01/2029	$ 10,775,000.00
03/01/2030	$ 10,185,000.00
09/01/2030	$ 10,185,000.00
03/01/2031	$ 9,565,000.00
09/01/2031	$ 9,565,000.00
03/01/2032	$ 8,915,000.00
09/01/2032	$ 8,915,000.00
03/01/2033	$ 8,245,000.00
09/01/2033	$ 8,245,000.00
03/01/2034	$ 7,520,000.00
09/01/2034	$ 7,520,000.00
03/01/2035	$ 6,795,000.00
09/01/2035	$ 6,795,000.00
03/01/2036	$ 6,065,000.00
09/01/2036	$ 6,065,000.00
03/01/2037	$ 5,320,000.00
09/01/2037	$ 5,320,000.00
03/01/2038	$ 4,560,000.00
09/01/2038	$ 4,560,000.00
03/01/2039	$ 3,790,000.00

09/01/2039	$	3,790,000.00
03/01/2040	$	3,060,000.00
09/01/2040	$	3,060,000.00
03/01/2041	$	2,315,000.00
09/01/2041	$	2,315,000.00
03/01/2042	$	1,555,000.00
09/01/2042	$	1,555,000.00
03/01/2043	$	785,000.00
09/01/2043	$	785,000.00
03/01/2044	$	-

Recorded in Clay County, Missouri
Date and Time: 06/24/2021 at 02:51:15 PM
Instrument Number: 2021027300
Book: 9093 Page: 130

Instrument Type: AGR
Page Count: 11
Recording Fee: $54.00 S

Electronically Recorded

Katee Porter, Recorder

Stewart
1191138

MEMORANDUM OF LEASE PURCHASE AGREEMENT

between

SECURITY BANK OF KANSAS CITY,
as Lessor

and

CITY OF GLADSTONE, MISSOURI,
as Lessee

Dated as of June 1, 2021

Grantee Address: City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118
Attention: City Manager

Grantor Address: Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

Legal Description may be found on Page A-1 of this document.

MEMORANDUM OF LEASE PURCHASE AGREEMENT

THIS MEMORANDUM OF LEASE PURCHASE AGREEMENT, gives notice of, ratifies and confirms the Lease Purchase Agreement dated as of June 1, 2021 (the "Lease Agreement"), between **SECURITY BANK OF KANSAS CITY**, a state banking corporation organized under the laws of the State of Kansas in its capacity as Trustee under an Indenture of Trust dated June 1, 2021 (the "Trustee"), and the **CITY OF GLADSTONE, MISSOURI,** a third class city and political subdivision duly created, organized and existing under the laws of the State of Missouri (the "City");

WITNESSETH:

WHEREAS, the City owns certain real estate in Clay County, Missouri, and the improvements located thereon, as legally described in **Exhibit A** hereto (the "Leased Property"); and

WHEREAS, the City concurrently herewith is conveying to the Trustee a leasehold interest in all its present or hereafter acquired interest in the Leased Property pursuant to a Ground Lease dated as of June 1, 2021 (the "Ground Lease") by and between the City and the Trustee; and

WHEREAS, the Trustee is willing to lease the Leased Property back to the City, and the City desires to lease the Leased Property from the Trustee, upon the terms and conditions and for the purposes set forth in the Lease Agreement; and

WHEREAS, in order to provide funds to (a) pay or reimburse the City for the costs of the Project (as described in **Exhibit B** hereto), concurrently herewith has executed the Indenture pursuant to which the City will (1) execute and deliver its Certificates of Participation (Capital Projects), Series 2021A, in the principal amount of $14,840,000 (the "Series 2021A Certificates"), evidencing interests in the right to receive such Base Rentals to be paid by the City and other payments, revenues and receipts to be derived pursuant to the Lease Agreement, and (2) grant, assign and hold in trust all of its right, title and interest in and to the Lease Agreement (including its right to receive Base Rentals and certain other payments as provided therein) for the benefit and security of the Owners of the Series 2021A Certificates as therein provided; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City does hereby give notice of, ratify, covenant and agree as follows:

1. **Lease of Facilities.** The Trustee rents, leases and lets the Leased Property to the City, and the City rents, leases and hires the Leased Property from the Trustee for the rentals and upon and subject to the terms and conditions contained in the Lease Agreement.

2. **Lease Term.** The Initial Term of the Lease Agreement shall commence on the date of its delivery (the "Commencement Date"), and subject to earlier termination pursuant to the provisions thereof, shall terminate on the last day of City's current fiscal year (i.e., June 30, 2021). The Lease Term may be extended, solely at the option of the City, at the end of the Initial Term or any Renewal Term for an additional one-year Renewal Term for up to a maximum Lease Term to expire not later than March 1, 2044.

3. **Termination of the Lease Term.** The Lease Term will terminate, and all of the City's right, title and interest in and to the Lease Agreement (except to the extent of any conveyance pursuant to **Article XI** thereof) and its obligations thereunder shall terminate without penalty upon the earliest to occur of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term and the nonrenewal of the Lease Term resulting from an event of nonappropriation pursuant to the Lease Agreement (which is not thereafter waived by the Trustee);

(b) the exercise by the City of the option to purchase the Facilities pursuant to **Section 12.01** of the Lease Agreement;

(c) an Event of Default and the Trustee's election to terminate the Lease Agreement as provided in the Lease Agreement;

(d) the payment by the City of all Base Rentals and Supplemental Rent required to be paid by the City and resulting in discharge of the Indenture as provided therein; or

(e) March 1, 2044.

4. Rental Payments. The City covenants and agrees to make Payments, exclusively from legally available funds, in lawful money of the United States of America, to the Trustee at its corporate trust office during the Initial Term and each Renewal Term at the times and in the amounts set forth on **Exhibit C** hereto.

5. Option to Purchase the Project. At the option and request of the City, the Trustee's estate in the Leased Property will be transferred, conveyed and assigned to City and the Lease Agreement shall terminate upon payment in full of all amounts as provided in the Lease Agreement and the Indenture.

6. Definition of Terms. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Indenture.

[*remainder of page intentionally blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Lease Purchase Agreement to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written.

LESSOR:

SECURITY BANK OF KANSAS CITY,
as Trustee

[SEAL]

By: Erica L. Lemon
Name: Erica Lemon
Title: Vice President

ATTEST:

Name: Pete Gardner
Title: SVP/Trust Manager

ACKNOWLEDGMENT

STATE OF KANSAS)
) **SS.**
COUNTY OF WYANDOTTE)

On this 21 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Erica Lemon and Pete Gardner, who acknowledged themselves to be the Vice President and Senior Vice President, respectively, of **SECURITY BANK OF KANSAS CITY**, a national banking association, and that said instrument was signed and sealed in behalf of said association by authority of its Board of Directors, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

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

LISA M. SHATTO
Notary Public - State of Kansas
My Appt. Exp. 7/28/23

Notary Public - State of Kansas

My Commission Expires:

7/28/23

LESSEE:

CITY OF GLADSTONE, MISSOURI

By: _____
Name: Scott Wingerson
Title: City Manager

ATTEST:

_____
Name: Ruth Bocchino
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF CLAY)

On this 23 day of June, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared **Scott Wingerson** and **Ruth Bocchino**, who acknowledged themselves to be the City Manager and City Clerk, respectively, of the **City of Gladstone, Missouri**, said instrument was signed in behalf of said City by authority of its City Council, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

_____
Notary Public - State of Missouri

My Commission Expires:

_____
Connie M. Dixon
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: March 18, 2022
Commission #18935911

EXHIBIT A
TO THE MEMORANDUM OF LEASE PURCHASE AGREEMENT

DESCRIPTION OF LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

EXHIBIT B
TO THE MEMORANDUM OF LEASE PURCHASE AGREEMENT

DESCRIPTION OF PROJECT

Proceeds of the Certificates will be used to finance (i) the construction of a new Public Safety Headquarters; (ii) renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall.

EXHIBIT C

SCHEDULE OF RENTAL PAYMENTS AND PURCHASE PRICE

Payment Date	Principal Component	Interest Component	Option Price on Payment Date through but excluding next Payment Date*
09/01/2021	$ -	$ 87,685.09	n/a
03/01/2022	$ 545,000.00	$ 235,571.88	n/a
09/01/2022	$ -	$ 221,946.88	n/a
03/01/2023	$ 425,000.00	$ 221,946.88	n/a
09/01/2023	$ -	$ 211,321.88	n/a
03/01/2024	$ 475,000.00	$ 211,321.88	n/a
09/01/2024	$ -	$ 199,446.88	n/a
03/01/2025	$ 490,000.00	$ 199,446.88	n/a
09/01/2025	$ -	$ 187,196.88	n/a
03/01/2026	$ 510,000.00	$ 187,196.88	n/a
09/01/2026	$ -	$ 174,446.88	n/a
03/01/2027	$ 520,000.00	$ 174,446.88	n/a
09/01/2027	$ -	$ 161,446.88	n/a
03/01/2028	$ 535,000.00	$ 161,446.88	n/a
09/01/2028	$ -	$ 148,071.88	n/a
03/01/2029	$ 565,000.00	$ 148,071.88	n/a
09/01/2029	$ -	$ 133,946.88	n/a
03/01/2030	$ 590,000.00	$ 133,946.88	n/a
09/01/2030	$ -	$ 119,196.88	n/a
03/01/2031	$ 620,000.00	$ 119,196.88	$ 9,565,000.00
09/01/2031	$ -	$ 103,696.88	$ 9,565,000.00
03/01/2032	$ 650,000.00	$ 103,696.88	$ 8,915,000.00
09/01/2032	$ -	$ 93,946.88	$ 8,915,000.00
03/01/2033	$ 670,000.00	$ 93,946.88	$ 8,245,000.00
09/01/2033	$ -	$ 83,896.88	$ 8,245,000.00
03/01/2034	$ 725,000.00	$ 83,896.88	$ 7,520,000.00
09/01/2034	$ -	$ 76,646.88	$ 7,520,000.00
03/01/2035	$ 725,000.00	$ 76,646.88	$ 6,795,000.00
09/01/2035	$ -	$ 69,396.88	$ 6,795,000.00
03/01/2036	$ 730,000.00	$ 69,396.88	$ 6,065,000.00
09/01/2036	$ -	$ 62,096.88	$ 6,065,000.00
03/01/2037	$ 745,000.00	$ 62,096.88	$ 5,320,000.00
09/01/2037	$ -	$ 54,646.88	$ 5,320,000.00

03/01/2038	$ 760,000.00	$ 54,646.88	$ 4,560,000.00
09/01/2038	$ -	$ 47,046.88	$ 4,560,000.00
03/01/2039	$ 770,000.00	$ 47,046.88	$ 3,790,000.00
09/01/2039	$ -	$ 39,346.88	$ 3,790,000.00
03/01/2040	$ 730,000.00	$ 39,346.88	$ 3,060,000.00
09/01/2040	$ -	$ 32,046.88	$ 3,060,000.00
03/01/2041	$ 745,000.00	$ 32,046.88	$ 2,315,000.00
09/01/2041	$ -	$ 24,596.88	$ 2,315,000.00
03/01/2042	$ 760,000.00	$ 24,596.88	$ 1,555,000.00
09/01/2042	$ -	$ 16,521.88	$ 1,555,000.00
03/01/2043	$ 770,000.00	$ 16,521.88	$ 785,000.00
09/01/2043	$ -	$ 8,340.63	$ 785,000.00
03/01/2044	$ 785,000.00	$ 8,340.63	$ -

***The Option Price in the event of damage, casualty, condemnation or deficiency of title shall be determined as follows:**

Payment Date	Option Price o Payment Dat through but excludin next Payment Date*
09/01/2021	$ 14,840,000.00
03/01/2022	$ 14,295,000.00
09/01/2022	$ 14,295,000.00
03/01/2023	$ 13,870,000.00
09/01/2023	$ 13,870,000.00
03/01/2024	$ 13,395,000.00
09/01/2024	$ 13,395,000.00
03/01/2025	$ 12,905,000.00
09/01/2025	$ 12,905,000.00
03/01/2026	$ 12,395,000.00
09/01/2026	$ 12,395,000.00
03/01/2027	$ 11,875,000.00
09/01/2027	$ 11,875,000.00
03/01/2028	$ 11,340,000.00
09/01/2028	$ 11,340,000.00
03/01/2029	$ 10,775,000.00
09/01/2029	$ 10,775,000.00
03/01/2030	$ 10,185,000.00
09/01/2030	$ 10,185,000.00
03/01/2031	$ 9,565,000.00
09/01/2031	$ 9,565,000.00
03/01/2032	$ 8,915,000.00
09/01/2032	$ 8,915,000.00
03/01/2033	$ 8,245,000.00
09/01/2033	$ 8,245,000.00
03/01/2034	$ 7,520,000.00
09/01/2034	$ 7,520,000.00
03/01/2035	$ 6,795,000.00
09/01/2035	$ 6,795,000.00
03/01/2036	$ 6,065,000.00
09/01/2036	$ 6,065,000.00
03/01/2037	$ 5,320,000.00
09/01/2037	$ 5,320,000.00

03/01/2038	$	4,560,000.00
09/01/2038	$	4,560,000.00
03/01/2039	$	3,790,000.00
09/01/2039	$	3,790,000.00
03/01/2040	$	3,060,000.00
09/01/2040	$	3,060,000.00
03/01/2041	$	2,315,000.00
09/01/2041	$	2,315,000.00
03/01/2042	$	1,555,000.00
09/01/2042	$	1,555,000.00
03/01/2043	$	785,000.00
09/01/2043	$	785,000.00
03/01/2044	$	-

INDENTURE OF TRUST

Dated as of June 1, 2021

Between

SECURITY BANK OF KANSAS CITY,
As Trustee

and

CITY OF GLADSTONE, MISSOURI

Related to

$14,840,000
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Evidencing Interests in
the Right to Receive Base Rentals
to Be Made by
City of Gladstone, Missouri

INDENTURE OF TRUST

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of June 1, 2021 (the "Indenture"), executed by **SECURITY BANK OF KANSAS CITY**, a Kansas banking corporation duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the State of Missouri, and having a corporate trust office located in Kansas City, Kansas, as trustee (the "Trustee") and the **CITY OF GLADSTONE, MISSOURI**, a third class city duly organized and existing under the laws of the State of Missouri (the "City");

WITNESSETH:

WHEREAS, the City and the Trustee expect to enter into a Ground Lease (the "Ground Lease"), pursuant to which the City, as lessor, will lease to the Trustee, as lessee, to provide for the financing of the costs related to the completion of various capital projects for the City (as further described herein, the "Project"), with all of the City's present or hereafter acquired interest in those tracts of real estate described on **Schedule 1** hereto, together with all improvements now or hereafter situated thereon (the "Leased Property"); and

WHEREAS, the Trustee and the City expect to enter into a Lease Purchase Agreement (the "Lease"), to provide for the lease of the Leased Property from the Trustee back to the City on an annually renewable basis in consideration of Base Rentals (as defined herein) and upon the terms and conditions therein to be provided; and

WHEREAS, in order to provide funds to finance the costs related to the Project, the Trustee will, pursuant to this Indenture sell City of Gladstone, Missouri Certificates of Participation (Capital Projects) in one or more series (the "Certificates"), evidencing interests in the right of the registered owners thereof in Lease Revenues (as defined herein), including the right to receive a proportionate share of Base Rentals under the Lease; and

WHEREAS, the City is authorized under the provisions of the laws of the State of Missouri to provide funds for such purpose; and

WHEREAS, all things necessary for this Indenture to constitute a valid and legally binding pledge of the Trust Estate herein made for the security of the payment of the Certificates delivered hereunder have been done, and the execution and delivery of this Indenture, subject to the terms hereof, have in all respects been duly authorized by the City and the Trustee;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the payment of the Certificates Outstanding under this Indenture from time to time according to their tenor and effect, does hereby transfer in trust, pledge and assign to the Trustee the property described below (said property being herein called the "Trust Estate"), to wit:

(a) All right, title and interest of the Trustee in, to and under (1) the Ground Lease; (2) the Lease, including the right to receive and collect Base Rentals, Lease Revenues and other payments, revenues and receipts derived by the Trustee under the Lease (except for the right of the Trustee to receive moneys for its own account under the Lease and any payments made by the Trustee to meet the rebate requirements of **Section 148(f)** of the Code); and (3) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the Lease; and

(b) All moneys and securities from time to time held by the Trustee under the terms of this Indenture, and any and all other personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as additional security hereunder 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;

it being the intent and purpose hereof that said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Trustee shall have the right to collect and receive all Base Rentals and other sums payable under the Lease and other moneys receivable with respect to the leasing and operation of the Leased Property or to be collected for the Project, all for application in accordance with the provisions hereof at all times during the period from and after the date of this Indenture until the Certificates have been fully paid and discharged;

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

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, and for the equal and proportionate benefit, protection and security of all Registered Owners from time to time of the Certificates Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Certificates over any other of the Certificates except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the Principal Component and Interest Component of Base Rentals evidenced by the Certificates, plus prepayment premium, if any, are paid, at the times and in the manner specified in the Certificates and the Lease according to the true intent and meaning thereof, or if provision for the payment thereof is made (as provided in **Article VIII** hereof), and if all other sums of money due or to become due to the Trustee is paid to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by the City and the Trustee, that all Certificates secured hereunder are to be executed and delivered and that all of 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 Trustee and the City do hereby agree and covenant, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to words and terms defined in the Lease and elsewhere in this Indenture, the following words and terms used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Additional Certificates" means any additional certificates of participation delivered pursuant to **Section 2.08** herein.

"Additional Project" means any capital improvements that are financed with the proceeds of Additional Certificates delivered pursuant to **Section 2.08** herein, for the use and benefit of the City.

"Arbitrage Investment Instructions" means the Arbitrage Investment Instructions included in the Tax Compliance Agreement, as amended from time to time in accordance with the provisions thereof.

"Authorized City Representative" means the Mayor or City Manager of the City, or such other person at the time designated, by written certificate furnished to the Trustee, as the person or persons authorized to act on behalf of the City. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the City by the Mayor or City Manager and may designate an alternate or alternates.

"Base Rentals" means the amount or amounts (comprising a Principal Component and an Interest Component) payable by the City pursuant to the Lease in consideration of the use and enjoyment of the Leased Property during the term of the Lease, on the dates and in the amounts as set forth in the Base Rental Payment Schedule specified in the Lease, as such Schedule may be revised as provided in the Lease and **Section 2.08** herein.

"Business Day" means any day other than (a) a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the corporate trust office of the Trustee are required or authorized by law to remain closed or (b) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Certificate Payment Fund" means the Certificate Payment Fund established pursuant to **Section 4.01** herein.

"Certificate Payments" means the payments to be made to the Owners of the Certificates, whether representing Interest Component only or Principal Component and Interest Component of Base Rentals under the Lease.

"Certificates" means any certificate of participation executed and delivered pursuant to this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Completion Certificate" means the certificate provided to the Trustee pursuant to **Section 4.07** herein.

"Completion Date" means the date of completion of the Project as that date shall be certified as provided in **Section 4.07** herein.

"Construction Contracts" means the construction contracts which have been or will be entered into by the City and which will incorporate the Plans and Specifications.

"Construction Fund" means the Construction Fund established pursuant to **Section 4.01** herein.

"Costs of Delivery" means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Certificates, including rating agency fees, insurance premiums, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction, costs of title insurance and all other initial fees and disbursements contemplated by the Lease and this Indenture.

"Costs of the Project" means all reasonable or necessary expenses related or incidental to the acquisition, construction, renovation, installation, furnishing, equipping and operation of the Project, including the expenses of surveys, legal and other special services and all other necessary and incidental expenses, including Costs of Delivery.

"Defeasance Obligations" means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations, plus any cash in the escrow fund, are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations serving as security for the obligations, are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or S&P (presently "AAA"); or

(c) Cash.

"Directive" means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the Register, or their lawful attorneys-in-fact, representing no less than a majority of the aggregate unpaid Principal Component represented by the then Outstanding Certificates.

"City" means City of Gladstone, Missouri, a third class City and political subdivision existing under the laws of the State of Missouri.

"Event of Default" means an Event of Default as described in **Section 7.01** herein.

"Event of Lease Default" means an Event of Default under the Lease.

"Event of Nonappropriation" shall have the meaning set forth in the Lease.

"Fiscal Year" means the fiscal year of the City, currently the twelve-month period beginning on July 1 and ending on June 30.

"Funds" means, collectively, the Construction Fund, the Certificate Payment Fund, the Prepayment Fund and the Rebate Fund.

"Ground Lease" means the Ground Lease between the City, as lessor, and the Trustee, as lessee, granting the Trustee a leasehold interest in the Leased Property for a term stated therein, as said Ground Lease may be amended, extended or renewed from time to time.

"Indenture" means this Indenture of Trust dated as of June 1, 2021, as the same may from time to time be amended or supplemented in accordance with its terms.

"Initial Term" shall have the meaning specified in the Lease.

"Interest Component" means the portion of each Base Rental that represents the payment of interest as set forth in the Lease.

"Investment Securities" means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the City's moneys held in the Funds referred to in **Section 4.01** hereof:

(a) United States Government Obligations;

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, 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, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) and (d) and that 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 Fannie Mae, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; and

(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, 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), 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 (1) that invest in United States Government Obligations or that are registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and (2) that are rated in either of the two highest categories by a nationally recognized rating agency.

"Lease" means the Lease Purchase Agreement between the Trustee, as lessor, and the City, as lessee, and any amendments and supplements thereto.

"Lease Revenues" means the Base Rentals, Supplemental Rent and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, Net Proceeds and any and all interest, profits or other income derived from the investment thereof in any fund established pursuant to this Indenture.

"Leased Property" means all of the City's present or hereafter acquired interest in the real estate and improvements now or hereafter situated thereon which have been leased from the City to the Trustee pursuant to the Ground Lease, as described in **Schedule 1** attached hereto.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

"Net Proceeds" means, when used with regard to any insurance or condemnation award with respect to the Leased Property, the gross proceeds from the insurance or condemnation award less the payment of all expenses (including attorneys' fees, Trustee's fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Notice by Mail" or **"Notice"** of any action or condition **"by Mail"** means a written notice meeting the requirements of this Indenture mailed by first-class mail to the Owners of specified Certificates, at the addresses shown on the Register.

"Opinion of Counsel" means a written opinion of counsel who is acceptable to the Trustee and may be an employee of or counsel to the City or the Trustee.

"Option Price" means the price as specified in the Lease at which the City may elect to purchase from the Trustee the Trustee's interest in the Leased Property on the Optional Prepayment Date prior to the scheduled payment of all sums to be paid for the Trustee's interest in the Leased Property, as such Schedule may be revised hereafter in accordance with **Section 2.08** herein.

"Optional Prepayment Date" means any date on which Certificates may be prepaid pursuant to this Indenture and the Certificates.

"Outstanding" means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to this Indenture except (i) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (ii) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates have been executed and delivered by the Trustee pursuant to this Indenture, (iii) Certificates whose payment or prepayment has been provided for in accordance with **Article VIII** herein, and (iv) Certificates paid or deemed to be paid pursuant to **Article VIII** herein.

"Owner" means the registered owner of a Certificate as shown on the Register.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Payment Date" means each date on which payment of the Principal or Interest Component of Base Rentals represented by the Certificates is due and payable to an Owner.

"Payments" means the total amount of the Base Rentals and the Supplemental Rent payable during the Initial Term and each Renewal Term of the Lease.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent; (ii) the Ground Lease, the Lease, this Indenture and any financing statements naming the City as debtor and naming the Trustee as secured party now or hereafter filed to perfect the security interests granted by this Indenture, the Ground Lease or the Lease; (iii) utility, access and other easements and rights-of-way, restrictions, exceptions and encumbrances that will not materially interfere with or materially impair the use of the Leased Property; and (iv) such defects, irregularities, encumbrances, easements, mechanics' liens, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Leased Property and do not materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the City.

"Plans and Specifications" means the plans and specifications prepared for and showing the Project, as amended by the City from time to time prior to the Completion Date, the same being duly certified by an Authorized City Representative, which plans and specifications are on file at the principal office of the City and shall be available for reasonable inspection by the Trustee and its duly appointed representatives.

"Prepayment Date" means any date set for prepayment of the Principal Component of Base Rentals represented by Certificates.

"Prepayment Fund" means the Prepayment Fund established pursuant to **Section 4.01** herein.

"**Prepayment Price"** means, with respect to any Certificate (or portion thereof), the Prepayment Price as calculated herein and in the Certificates.

"Principal Component" means the portion of each Base Rental that represents the payment of principal as set forth in the Lease.

"Project" means the capital projects of the City as described in the Lease.

"Purchase Price" means the amount designated in the Lease that the City may pay to the Trustee to purchase the Trustee's interest in the Leased Property.

"Purchaser" means Robert W. Baird & Co., Inc., Red Bank, New Jersey, in its capacity as the original purchaser of the Series 2021A Certificates (as defined in **Section 2.02** hereof).

"Record Date" means, with respect to any Payment Date, the fifteenth day (whether or not a business day) of the month preceding each Payment Date.

"Register" means the books maintained by the Trustee for the registration, transfer and exchange of Certificates as described in **Section 2.06** herein.

"Registrar" means the Trustee when acting in that capacity, or its successor as Registrar.

"Renewal Term" shall have the meaning specified in the Lease.

"Replacement Certificates" means Certificates issued to the beneficial owners of the Certificates in accordance with **Section 2.09(b)** hereof.

"S&P" means S&P Global Ratings, its successors and assigns, and if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Special Tax Counsel" means Armstrong Teasdale LLP or any other attorney or firm of attorneys (which is mutually acceptable to the City and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture executed by the Trustee and the City pursuant to **Article VI**.

"**Supplemental Rent"** means the amount or amounts payable by the City pursuant to the Lease for other costs and expenses related to the Certificates.

"Term of the Lease" or **"Term of this Lease"** with respect to the possessory interest of the City means the Initial Term and any Renewal Terms as to which the City exercises its option to renew the Lease as provided in the Lease.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, in its capacity as Trustee hereunder, and its successors.

"**Trustee's Expenses"** means, collectively, all out-of-pocket expenses, disbursements and advances (including reasonable attorneys' fees and expenses) incurred by the Trustee hereunder or in connection with the Certificates, the Ground Lease and the Lease.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or 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, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service, and such obligations are held in a custodial or trust account for the benefit of the City.

Section 1.02. General Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, joint ventures, associations, joint-stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

The words "herein," "hereby," "hereunder," "hereof," "hereto," "hereinbefore," "hereinafter" and other equivalent words refer to this Indenture and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

Reference herein to a particular article or a particular section, exhibit, schedule or appendix shall be construed to be a reference to the specified article or section hereof or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or intent.

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.

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

All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

Section 1.03. Execution in Counterparts. This Indenture may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

Section 1.04. 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 circumstance, 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 1.05. Date of Indenture. The dating of this Indenture is intended for the convenient identification of this Indenture only and is not intended to indicate that this Indenture was executed and delivered on said date, this Indenture being executed and delivered and becoming effective simultaneously with the initial delivery of the Certificates.

Section 1.06. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Missouri.

ARTICLE II

THE CERTIFICATES

Section 2.01. Preparation of Certificates. The Trustee is hereby authorized to prepare, execute and deliver the Certificates, upon the order of, and in the amount specified by, the City. The Trustee shall not at any time, except as provided in this Article, execute additional Certificates evidencing ownership interests in the right to receive Lease Revenues.

Section 2.02. General Provisions Concerning the Certificates.

(a) There shall be initially delivered and secured by this Indenture a series of Certificates in the aggregate principal amount of $[Principal Amount] for the purpose of providing funds, together with other available funds of the City, to pay or reimburse the City for the Costs of the Project and to pay certain costs related to the authorization, execution and delivery of the Series 2021A Certificates. Said series of Certificates shall be designated "City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A" (herein called the "Series 2021A Certificates"). The Series 2021A Certificates shall be dated as of the original date of issuance and delivery, shall become due on March 1 in the years and in the respective principal amounts (subject to prepayment as hereinafter provided in **Article III**), and shall bear interest at the respective rates per annum, as follows:

Serial Certificates

Due March 1	Principal Amount	Interest Rate
2022	$545,000	5.000%
2023	$425,000	5.000%
2024	$475,000	5.000%
2025	$490,000	5.000%
2026	$510,000	5.000%
2027	$520,000	5.000%
2028	$535,000	5.000%
2029	$565,000	5.000%
2030	$590,000	5.000%
2031	$620,000	5.000%
2032	$650,000	3.000%
2033	$670,000	3.000%
2034	$725,000	2.000%
2035	$725,000	2.000%
2036	$730,000	2.000%
2037	$745,000	2.000%
2040	$730,000	2.000%
2041	$745,000	2.000%
2042	$760,000	2.125%
2043	$770,000	2.125%
2044	$785,000	2.125%

Term Certificates

Due March 1:	Principal Amount	Interest Rate
2039	$1,530,000	2.000%

(b) The Certificates shall bear interest at the rates aforesaid (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 on March 1 and September 1 in each year, beginning on September 1, 2021.

(c) The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof, numbered from 1 consecutively upward in order of delivery, or in such other manner approved by the Trustee.

(d) The Trustee shall execute the Series 2021A Certificates in the manner set forth in **Section 2.03** hereof, but prior to or simultaneously with the delivery of the Series 2021A Certificates by the Trustee to the Purchaser thereof, there shall be filed with the Trustee the following:

(1) An original or certified copy of the Resolution adopted by the governing body of the City authorizing the execution and delivery of the Ground Lease, the Lease and the Indenture;

(2) An original executed counterpart of this Indenture, the Ground Lease and the Lease;

(3) An ALTA leasehold title insurance policy, or commitment therefore, in form and substance acceptable to the Purchaser and the Trustee;

(4) A request and authorization to the Trustee by the City to execute and authenticate the Series 2021A Certificates and to deliver said Series 2021A Certificates to or upon the order of the purchasers therein identified upon payment to the Trustee of the purchase price thereof. The Trustee shall be entitled to conclusively rely upon such request and authorization as to the names of the purchasers and the amount of such purchase price;

(5) An Opinion of Special Tax Counsel to the effect that the Series 2021A Certificates represent valid and legally binding, undivided interests in the rights to receive Base Rentals from the City under the Lease, that the interest component of the Base Rentals is excludable from gross income for federal and Missouri income tax purposes, that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and that the Series 2021A Certificates are exempt from registration under the Securities Act of 1933, as amended; and

(6) Such other certificates, statements, receipts, opinions and documents as the Trustee or Special Tax Counsel shall reasonably require for the delivery of the Series 2021A Certificates.

When the documents specified above shall have been filed with the Trustee, the Trustee shall execute and deliver the Series 2021A Certificates to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of the Series 2021A Certificates. The proceeds of the sale of the Series 2021A Certificates, including accrued interest and premium thereon, if any, shall be deposited and applied as provided in **Article IV** hereof.

(e) The Certificates and the form of assignment to appear thereon shall be in substantially the form set forth in **Exhibit A** attached hereto, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

(f) The Certificates shall be fully registered Certificates without coupons transferable to subsequent owners only on the Register as hereinafter provided. Each Certificate shall be in the denomination of $5,000 or any integral multiple thereof.

(g) The Certificates shall be consecutively numbered from 1 upward for each series.

(h) Each of the Certificates shall represent the Interest Component and Principal Component of the Base Rentals payable with respect thereto and shall be on a parity with the other Certificates as to the entire Trust Estate. The Principal Components of the Base Rentals represented by the Certificates shall be payable, subject to prior prepayment upon the terms and conditions hereinafter set forth. The Interest Component of the Base Rentals represented by each Certificate shall be computed at the applicable per annum rate set forth on the schedule below on the Principal Component thereof on the basis of a 360-day year of twelve 30-day months.

(i) The Interest Component of the Base Rentals represented by each Certificate shall be payable from the date of the Certificate or from the most recent date to which such Interest Component has been paid.

(j) Payment of the Interest Component of the Base Rentals represented by any Certificates shall be made to the person appearing on the Register as the Owner thereof on the Record Date, such Interest Component to be paid to such Owner by check or draft drawn on the Trustee and mailed on the Payment Date to such Owner's address as it appears on the Register on the Record Date. Upon the request and at the expense of any Owner of at least $500,000 in principal amount of the Certificates, payments of interest on the Certificates shall be made by electronic transfer to such Owner upon written notice given to the Trustee by such Owner not less than five days prior to the Record Date for such interest components, containing the electronic transfer instructions including 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.

(k) The Principal Component of the Base Rentals represented by the Certificates shall be payable (whether at maturity or upon prepayment or acceleration) to the Owners of such Certificates upon presentation and surrender of such Certificates at the payment office of the Trustee.

(l) Payment of Certificate Payments and of the Prepayment Price of Certificates shall be made in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for public and private debts.

Section 2.03. Execution of Certificates. The Certificates shall be executed by and in the name of the Trustee, as Trustee hereunder, by the manual signature of an authorized officer or signatory of the Trustee.

Section 2.04. Transfer of Certificates. Any Certificate may be transferred upon the Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. The Trustee shall also require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchange of any Certificate shall be required of the Trustee after such Certificate has been called for prepayment. In the event any Owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to 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 Owner hereunder or under the Certificates.

Section 2.05. Exchange of Certificates. Certificates may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Certificates of the same payment date, interest rate and tenor.

Section 2.06. Registration Books. The Registrar will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Certificates (the "Register"), which shall at all reasonable times be open to inspection by the Trustee and the City. Upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Register, Certificates as hereinbefore provided.

The person in whose name any Certificate is registered shall be deemed the Owner thereof for all purposes hereof. Payment of or on account of the Interest Components and Principal Components of Base Rentals represented by such Certificate shall be made only to or upon the order in writing of the Owner on the Record Date for such payment, which payments shall be valid and effectual to satisfy and discharge the liability under the Lease as represented by such Certificate to the extent of the sum or sums so paid.

Section 2.07. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate becomes mutilated, the Trustee, at the expense of the Owner of the Certificate, shall execute and deliver a new Certificate of like tenor, maturity, interest rate and number in exchange and substitution for the mutilated Certificate (except that such number may be preceded by a distinguishing prefix), but only upon surrender to the Trustee of the mutilated Certificate. Every mutilated Certificate surrendered to the Trustee shall be canceled by it and destroyed. If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and indemnity of the City and the Trustee satisfactory to the Trustee is given, the Trustee, at the expense of the Owner of the Certificate, shall execute and deliver a new Certificate of like tenor, maturity, interest rate and number as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered under this Section and of the expenses which may be incurred by the Trustee under this Section. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be Outstanding hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificates shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and which has matured, the Trustee may make payment of such Certificate.

Section 2.08. Authorization of Additional Certificates.

(a) Additional Certificates may be delivered under and be equally and ratably secured by this Indenture on a parity with the Series 2021A Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under this Indenture, upon compliance with the conditions hereinafter provided in this Section, for any one or more of the following purposes:

(1) To provide funds to complete the Project or to pay all or any part of the costs of any Additional Project including without limitation costs related to the delivery of the Additional Certificates, interest during construction and any reasonable reserves; and

(2) To provide funds for the purpose of refunding all or a portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated prepayment date, any reasonable reserves, and any expenses in connection with such refunding.

(b) Before any Additional Certificates shall be delivered under the provisions of this Section, the City shall (1) authorize the delivery of such Additional Certificates, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Certificates are being delivered or describing the Certificates to be refunded, (2) authorize the Trustee to execute a Supplemental

Indenture for the purpose of delivering such Additional Certificates, and (3) authorize the Trustee to enter into an amendment to the Lease with the City to provide for additional Base Rentals to finance the purchase, construction and installation of any Additional Project, for the inclusion of any such Additional Project as a part of the Leased Property, and for such other matters as are appropriate because of the delivery of the Additional Certificates proposed to be delivered which, in the judgment of the Trustee, do not materially and adversely affect the security of the Owners of the Certificates previously delivered.

(c) Each series of Additional Certificates shall be delivered pursuant to a supplement to this Indenture and shall be equally and ratably secured under this Indenture with the Certificates and any other series of Additional Certificates, without preference, priority or distinction of any Certificates over any other Certificates. Unless provided otherwise in a supplement to this Indenture, all such Additional Certificates shall be in substantially the same form as the Certificates, but shall be of such denomination or denominations, bear such date or dates, bear interest at such rate or rates, have such maturity date or dates, redemption dates and redemption premiums, contain an appropriate series designation, and be delivered at such prices as shall be designated in a supplemental to this Indenture and approved by the City.

(d) The Trustee shall execute and deliver Additional Certificates substantially in the same form and manner set forth for the Certificates in this Article, but prior to or simultaneously with the execution and delivery of such Additional Certificates by the Trustee, there shall be filed with the Trustee the following:

(1) The written consent of the City to the delivery of Additional Certificates.

(2) A certificate of the City, stating that as of the date of such delivery no event or condition has happened or existed and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under the Indenture or the Lease and there has not occurred an Event of Nonappropriation.

(3) An original executed counterpart of the Supplemental Indenture and the amendment to the Ground Lease and the Lease providing, among other things, for adjusting the Base Rentals payable by the City under **Section 3.01** of the Lease to include payment of the Interest Component and the Principal Component of the Base Rentals represented by such Additional Certificates and for adjusting the Option Price payable at the option of the City under the Lease.

(4) Additional Certificates may be delivered without the consent of the Owners of the Certificates to (a) refund the Certificates of any series in a manner which provides present value debt service savings to the City, or (b) to provide funds to complete the Project or to pay all or any part of the costs of any Additional Project, including without limitation costs related to the delivery of the Additional Certificates, interest during construction and any reasonable reserves. No variable rate debt, direct or derivative, shall be permitted.

(5) An opinion of Special Tax Counsel to the effect that the Additional Certificates represent valid and legally binding proportionate interests in the rights to receive Base Rentals from the City under the Lease and that the delivery of such Additional Certificates will not result in the Interest Component of the Base Rentals distributed to the Owners of any Certificates then Outstanding becoming includible in gross income for federal and Missouri income tax purposes because of the delivery of Additional Certificates.

(6) In the case of Additional Certificates being delivered to refund Outstanding Certificates, such additional documents as shall be reasonably required by the Trustee to evidence that provision has been duly made in accordance with the provisions of **Article VIII** herein for the payment of the Certificates to be refunded.

(7) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Certificates.

When the documents specified in this subsection have been filed with the Trustee, the Trustee shall execute and deliver such Additional Certificates to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Certificates. The proceeds of the sale of such Additional Certificates shall be immediately paid over and shall be deposited and applied as provided in the Supplemental Indenture authorizing the delivery of such Additional Certificates.

Section 2.09. Book-Entry Certificates; Securities Depository.

(a) The Certificates shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Certificates, except in the event the Trustee delivers Replacement Certificates as provided in subsection (b) hereof. It is anticipated that during the term of the Certificates, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal, premium, if any, and interest components with respect to the Certificates to the Participants until and unless the Trustee authenticates and delivers Replacement Certificates to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Certificates being delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, or (2) if the Trustee receives written notice from Participants having interests in not less than 50% of the Certificates Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Certificates being delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, then the Trustee shall notify the Owners of such determination of such notice and of the availability of certificates to Owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Certificates to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Trustee, may select a successor securities depository in accordance with **Section 2.09(c)** to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository is the registered owner of at least one Certificate. Upon the delivery of Replacement Certificates, 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 Certificates. If the Securities Depository resigns and the City, the Trustee or the Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 2.09(c)**, then the Trustee shall

authenticate and cause delivery of Replacement Certificates to Owners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names and addresses of, and principal amounts held by, the beneficial owners of the Certificates. The cost of printing Replacement Certificates shall be paid for by the City.

(c) 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, 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 such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Certificate or Certificates for cancellation shall cause the delivery of Certificates to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

PREPAYMENT

Section 3.01. General. The Certificates are subject to prepayment pursuant to this Article to the extent that prepayments of Base Rentals are required, allowed or provided for under the Lease.

Section 3.02. Prepayment Provisions.

Optional Prepayment. The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032, and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

Mandatory Prepayment. The Series 2021A Certificates shall be subject to mandatory prepayment prior to stated maturity at a prepayment price of 100% of the principal amount so prepaid plus accrued interest thereon to the Prepayment Date, without premium, on March 1 in the following years and in the following principal amounts:

Term Certificates Maturing March 1, 2039

March 1 Prepayment Date	**Principal Amount**
2038	$760,000
2039*	$770,000

*Final Maturity

Extraordinary Optional Prepayment in the Event of Damage, Destruction or Condemnation. The Series 2021A Certificates are subject to prepayment in whole or in part at any time, at a Prepayment Price

equal to 100% of the principal amount to be prepaid, together with accrued interest thereon to the date fixed for prepayment, but without premium, upon instructions from the City in the event that:

(1) title to, or the use for a limited period of, all or a substantial portion of the Leased Property is condemned by any authority having the power of eminent domain (other than the City or an entity controlled by, or affiliated with the City) to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any condemnation awards or sale under threat of condemnation with respect thereto;

(2) title to all or a substantial portion of the Leased Property is found to be deficient or nonexistent to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any title insurance;

(3) all or a substantial portion of the Leased Property is damaged or destroyed by fire or other casualty to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any casualty insurance; or

(4) as a result of changes in the constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Ground Lease, the Lease or the Indenture shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City with respect to the Ground Lease, the Lease or the Indenture.

Section 3.03. Selection of Certificates for Prepayment. If less than all of the Outstanding Certificates are called for prepayment, (1) Certificates shall be prepaid in such order of stated Payment Dates as shall be determined by the City, and (2) within a stated Payment Date the Trustee shall select the Certificates or any given portion thereof to be prepaid in such equitable manner as the Trustee shall determine in principal amounts of $5,000 or integral multiples thereof.

Section 3.04. Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of the same stated payment date, equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered. In the case of a partial prepayment of Certificates when Certificates of denominations greater than $5,000 are then Outstanding, then for all purposes in connection with such prepayment each $5,000 of face value shall be treated as though it were a separate Certificate of the denomination of $5,000. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any Certificate is selected for prepayment, then upon notice of intention to prepay such $5,000 unit or units, the Owner of such Certificate or his duly authorized agent shall forthwith present and surrender such Certificate to the Trustee (1) for payment of the price (including the premium, if any, and interest to the date fixed for prepayment) of the $5,000 unit or units of face value called for prepayment, and (2) for exchange, without charge to the Owner thereof, for a new Certificate or Certificates of the aggregate principal amount of the unpaid portion of the principal amount of such Certificate. If the Owner of any such Certificate of a denomination greater than $5,000 shall fail to present such Certificate to the Trustee for

payment and exchange as aforesaid, such Certificate shall, nevertheless, become due and payable on the prepayment date to the extent of the $5,000 unit or units of face value called for prepayment (and to that extent only).

Section 3.05. Notice of Prepayment. Unless otherwise provided herein, notice of prepayment shall be given by the Trustee, by first class mail at least 30 days prior to the Prepayment Date, to the City and the Owner of each Certificate affected at the address shown on the Register on the date such notice is mailed. Each notice of prepayment shall state, (i) the Prepayment Date, (ii) the place of prepayment, (iii) the Prepayment Price, (iv) if less than all the certificates within a stated payment date are to be prepaid, the numbers of the Certificates to be prepaid, and (v) that the proposed prepayment is conditioned upon there being on deposit in the applicable fund or account on the Prepayment Date sufficient money to pay the full Prepayment Price of the Certificates to be prepaid. Such notice shall also state that the Interest Component of the Base Rentals represented by the Certificates designated for prepayment shall cease to accrue from and after the Prepayment Date and that on said date the Prepayment Price will become due and payable on each of the prepaid Certificates.

Notice of prepayment of Certificates shall either (a) explicitly state that the proposed prepayment is conditioned on there being on deposit in the Prepayment Fund on the prepayment date sufficient money to pay the full prepayment price of the Certificates to be prepaid, or (b) be sent only if sufficient money or securities to pay the full prepayment price of the Certificate to be prepaid is on deposit in the Prepayment Fund or other fund.

The Trustee shall comply with any mandatory standards established by the Securities and Exchange Commission that are then in effect for processing redemptions of municipal securities. Failure to comply with such standards shall not affect or invalidate the prepayment of any Certificate.

So long as the Securities Depository is effecting book-entry transfers of the Certificates, the Trustee shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository will, 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 Certificate (having been mailed notice from the Trustee, a Participant or otherwise) to notify the beneficial owner of the Certificate so affected, shall not affect the validity of the prepayment of such Certificate.

Section 3.06. Effect of Prepayment. After funds sufficient for payment of the Prepayment Price have been deposited with the Trustee and notice of prepayment has been given as aforesaid, on the Prepayment Date designated in the notice, (1) the Certificates (or portions thereof) called for prepayment shall become due and payable at the Prepayment Price specified in the notice, (2) the Interest Component of Base Rentals represented by the Certificates called for prepayment shall cease to accrue, (3) the Certificates (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and (4) the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled upon surrender thereof by the Trustee.

ARTICLE IV

DELIVERY OF CERTIFICATES; FUNDS; APPLICATION OF CERTIFICATE PROCEEDS AND OTHER MONEYS

Section 4.01. Establishment of Funds. There are hereby established with the Trustee the following funds:

(a) Construction Fund;
(b) Certificate Payment Fund;
(c) Prepayment Fund; and
(d) Rebate Fund.

All Funds identified above shall be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the Funds shall be applied as hereinafter provided. Separate subaccounts shall be established for each series of Certificates or as otherwise required by the Indenture.

Section 4.02. Application of Certificate Proceeds and Other Moneys.

The proceeds of the sale and delivery of the Series 2021A Certificates shall be deposited or applied as follows:

(a) To the Certificate Payment Fund, a sum equal to the accrued interest, if any, on the Series 2021A Certificates paid on the initial delivery date by the purchasers of the Certificates.

(b) To the Construction Fund, the balance of the proceeds to be received from the sale of the Series 2021A Certificates.

Section 4.03. Application of Base Rentals. Base Rentals shall be deposited, as received, in the Certificate Payment Fund. The Trustee shall give to the City the notices of payment of Base Rentals contemplated by the Lease.

Section 4.04. Disbursements from the Construction Fund.

(a) The Trustee shall pay Costs of Delivery from the Construction Fund upon receipt of Disbursement Requests therefor signed by the City, which Disbursement Request shall contain the statements, representations and certifications and otherwise shall be substantially in the form attached hereto as **Exhibit B**.

Moneys in the Construction Fund shall also be used to pay for Costs of the Project. The Trustee shall disburse moneys from the Construction Fund on or before the fifth Business Day following the submission to the Trustee of Disbursement Requests therefore signed by an Authorized City Representative, and containing the statements, representations and certifications and otherwise shall be substantially in the form attached hereto as **Exhibit B** and shall have attached thereto the items described in said form.

The Trustee shall maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and shall file monthly statements of activity regarding the Construction Fund with the City. The Trustee may rely conclusively on any Disbursement Request relating to the

Construction Fund and shall not be required to make any independent investigation in connection therewith.

(b) The Completion Date of the Project and the payment of all Costs of the Project (other than Costs of the Project for which sufficient amounts are retained in the Construction Fund) shall be evidenced by the filing with the Trustee of the items specified in **Section 4.07** herein. As soon as practicable after the Completion Date, any balance remaining in the Construction Fund (other than any amounts specified in the Completion Certificate to be retained therein to pay remaining Costs of the Project) shall be transferred without further authorization to the Certificate Payment Fund to be used as described in **Section 4.05** herein.

(c) In the event of acceleration of all the Certificates pursuant to **Section 7.02** herein, any moneys then remaining in the Construction Fund shall, after the payment of amounts due under paragraph (a) of this Section, be transferred to the Certificate Payment Fund.

Section 4.05. Application of Moneys in the Certificate Payment Fund. Except as otherwise provided herein, all amounts in the Certificate Payment Fund shall be used and withdrawn by the Trustee solely to pay the Interest Components of Base Rentals represented by the Certificates when due and payable (including accrued interest with respect to any Certificates prepaid prior to the stated payment date thereon pursuant to **Section 3.02** herein) and to pay the Principal Components of Base Rentals represented by Certificates (including any prepayments pursuant to **Section 3.02** herein).

Section 4.06. [Reserved].

Section 4.07. Completion Date; Excess Funds. The Completion Date shall be evidenced to the Trustee upon receipt by the Trustee of a certificate signed by the City (the **"Completion Certificate"**) stating (i) the date on which the Project was substantially completed, (ii) that, except for Costs of the Project described in accordance with clause (iii), all Costs of the Project have been paid, and (iii) the amounts, if any, to be retained in the Construction Fund for the payment of Costs of the Project, if any, not yet due or Costs of the Project liability for which the City is contesting, and amounts that otherwise should be retained and the reasons they should be retained.

The Completion Certificate may state that it is given without prejudice to any rights of the City that then exist or may subsequently come into being against third parties. Any amounts remaining in the Construction Fund (other than amounts to be retained in the Construction Fund to pay any remaining Costs of the Project) shall be transferred to the Certificate Payment Fund.

Section 4.08. Prepayment Fund. All monies to be used for the prepayment of Certificates shall be deposited in the Prepayment Fund. Said monies shall be set aside in the Prepayment Fund solely for the purpose of prepaying the Principal Component and Interest Component of Base Rentals represented by the Certificates, together with premium, if any, with respect thereto, in advance of the stated payment dates of the Certificates and shall be applied on or after the Optional Prepayment Date or other date designated for prepayment of the Certificates upon presentation and surrender of such Certificates and the payment of the Prepayment Price. The City shall have no legal or equitable interest in any of the monies in the Prepayment Fund and such monies shall only be used as set forth in this Section.

Section 4.09. Insurance. All Net Proceeds (including any monies derived from any self-insurance program) from policies of insurance required by the Lease or condemnation awards which are received by the Trustee shall be deposited into a separate subaccount in the Construction Fund. The Authorized City Representative shall file a certificate with the Trustee, within ninety (90) days after the

occurrence of the event giving rise to such Net Proceeds, directing the application and disbursement of such funds as follows:

(a) to the prompt repair, replacement, restoration, modification or improvement of the damaged or destroyed portion of the Leased Property if such certificate states that such Net Proceeds, together with any other funds lawfully available to the City for such purpose, are sufficient to pay in full the costs of such repair, replacement, restoration, modification or improvement, and the Trustee is hereby authorized to disburse monies from the Construction Fund as so directed by the Authorized City Representative upon receipt of evidence satisfactory to the Trustee of the application of such funds for such purpose; or

(b) for transfer to the Prepayment Fund to the prepayment, in whole or in part, of the Certificates, and the Trustee is hereby authorized to withdraw monies from the Construction Fund and deposit them into the Prepayment Fund to be applied to such prepayment as directed by the City, in accordance with the Lease.

Section 4.10. Repayment to the City from the Funds. After payment in full of all Payments or the earlier purchase of the Trustee's interest in the Leased Property pursuant to the Lease, all amounts remaining in the Funds shall be paid to the City.

Section 4.11. Payments Due on Days Other than Business Days. In any case where the date of maturity of Principal Components of, prepayment premium, if any, or Interest Components of Base Rentals represented by the Certificates or the date fixed for prepayment of any Certificates shall be a day other than a Business Day, then payment on the Certificates need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and no interest shall accrue for the period after such date.

Section 4.12. Nonpresentment of Certificates. In the event that any Certificate shall not be presented for payment when the payment becomes due, either at maturity or otherwise, or at the date fixed for prepayment thereof, if funds sufficient to pay such Certificate shall have been made available to the Trustee, all liability to the Owner thereof for the payment of such Certificate shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature under this Indenture or on, or with respect to, said Certificate. If any Certificate shall not be presented for payment within one year following the date when such Certificate becomes due, the Trustee upon the request of the City shall repay to the City the funds theretofore held by the Trustee for payment of such Certificate, and such Certificate shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 4.13. Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Investment Instructions. Subject to the payment provisions provided in subsection (b) below, all amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay arbitrage rebate to the United States of America, and neither the City nor

the Owner of any Certificates shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Arbitrage Investment Instructions.

(b) Pursuant to the Arbitrage Investment Instructions, the Trustee shall remit all required rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the Arbitrage Investment Instructions, other than from moneys held in the Rebate Fund created under this Indenture as provided in this Indenture or from other moneys provided to it by the City. Any moneys remaining in the Rebate Fund after prepayment of all of the Certificates and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the City.

(c) Notwithstanding any other provision of this Indenture, the obligation to pay rebate to the United States and to comply with all other requirements of this Section and the Arbitrage Investment Instructions shall survive the defeasance or payment in full of the Certificates until all rebate shall have been paid.

ARTICLE V

DEPOSITARIES OF MONEYS; SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 5.01. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the various Funds under this Indenture shall be held by the Trustee in trust and shall be applied only in accordance with this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate (except the Rebate Fund) and be subject to the lien hereof. The Trustee shall not be under any liability for interest on any moneys received hereunder except as provided herein.

Section 5.02. Investment of Moneys in Various Funds. Moneys held in the various Funds shall be invested and reinvested by the Trustee, pursuant to written direction of the City, signed by an Authorized City Representative, in Investment Securities which mature or are subject to redemption by the holder prior to the date such funds will be needed.

The Trustee shall sell and reduce to cash a sufficient amount of Investment Securities held by the Trustee in any Fund hereunder whenever the cash balance in such Fund is insufficient for the purpose of the Fund. All Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund in which such moneys are originally held. The interest accruing thereon and any profit realized from such Investment Securities shall be credited to such Fund, and any loss resulting from such Investment Securities shall be charged to such Fund, except that interest accruing on moneys in the Construction Fund shall be credited to the Certificate Payment Fund.

The Trustee may make any and all investments permitted by this Section through its own bond department or short-term investment department.

Investments shall be valued by the Trustee or other fiduciary not less often than semi-annually, at the market value thereof.

ARTICLE VI

AMENDMENT OF THE INDENTURE, THE LEASE OR THE GROUND LEASE

Section 6.01. Amendments Permitted.

(a) In addition to amendments permitted by subparagraph (b) below, this Indenture, the Lease and the Ground Lease may be modified or amended from time to time and at any time by an amendment or supplement hereto or thereto which the parties hereto or thereto may enter into when the written consent of the Trustee (which shall not unreasonably be withheld), the City (if not a party hereto or thereto), and the Owners of a majority in aggregate principal amount of the Certificates then Outstanding have been filed with the Trustee. No such modification or amendment shall (i) extend the stated payment date of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Prepayment Price provided in the Indenture for the payment of any Certificate, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto without the consent of the Owner of each Certificate so affected, or (ii) reduce the percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or permit the creation of any lien on the Trust Estate or deprive the Owners of the trust created by this Indenture with respect to the Trust Estate (except as expressly provided in this Indenture) without the consent of the Owners of all of the Certificates then Outstanding. Promptly after the execution by the Trustee of any amendment pursuant to this subsection (a), the Trustee shall give Notice by Mail, setting forth in general terms the substance of such amendment to the Owners at the addresses listed on the Register. Any failure to give such notice, or any defect therein, shall not in any way impair or affect the validity of any such amendment.

(b) Notwithstanding subsection (a), this Indenture, the Lease or the Ground Lease may also be modified or amended without the consent of or notice to any Certificate Owners, but with the written consent of the City, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in the Lease or the Ground Lease, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof); provided, however, that no such covenant, agreement, pledge or assignment shall, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, the Ground Lease or the Lease, or in regard to matters or questions arising under this Indenture, the Ground Lease or the Lease not inconsistent with said agreements, or as may be requested by the City or the Trustee, and which shall not, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(iv) to deliver Additional Certificates;

(v) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Component of Base Rentals from gross income for purposes of federal and Missouri income taxation related to the Certificates; or

(vi) to make any other change which does not, in the sole judgment of the Trustee, materially and adversely affect the security for the owners of the Certificates then Outstanding.

(c) The Trustee shall cause notice of any amendments to this Indenture, the Lease or the Ground Lease and a copy thereof to be given to any rating agency rating the Certificates at least 15 days prior to the execution of such documents.

Section 6.02. Effect of Amendments. Upon the execution of any amendments hereto, pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 6.03. Endorsement of Certificates; Preparation of New Certificates. Certificates delivered after the execution of any amendment pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to any modification or amendment provided for in such amendment. In that case, upon demand of the Owner of any Certificate Outstanding at the time of such execution and presentation of his Certificate for such purpose at the principal corporate trust office of the Trustee, a suitable notation shall be made on such Certificate. If the amendment shall so provide, new Certificates so modified as to conform, in the opinion of the Trustee, to any modification or amendment contained in such amendment, shall be prepared and executed by the Trustee, and upon demand of the Owners of any Certificates then Outstanding shall be exchanged at the principal corporate trust office of the Trustee, without cost to any Certificate Owner, for Certificates then Outstanding, upon surrender for cancellation of such Certificates in equal aggregate principal amounts of the same payment date, interest rate and tenor.

Section 6.04. Amendment of Particular Certificates. The provisions of this Article shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS OF CERTIFICATES

Section 7.01. Defaults. The occurrence of any of the following events, subject to the provisions of **Section 7.09**, is hereby defined as an "Event of Default":

(a) Default in the due and punctual payment of any Interest Component of Base Rentals represented by a Certificate; or

(b) Default in the due and punctual payment of the Principal Component of Base Rentals represented by a Certificate, whether at the stated payment date thereof or the Prepayment Date set therefor in accordance with the terms hereof; or

(c) Any Event of Lease Default; or

(d) Default in the terms, conditions or covenants of this Indenture.

Immediate notice of any Event of Default shall be given to the Lessee by the Trustee or to the Trustee, the Lessee by the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding.

Section 7.02. Acceleration. Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee may, and upon receipt of written instruction from the Owners of Certificates representing not less than 25% of the aggregate Principal Component represented by the Certificates then Outstanding shall, by notice in writing delivered to the City, declare the Principal Component of Base Rentals due during the current Renewal Term and the interest accrued thereon to the date of such acceleration immediately due and payable.

Section 7.03. Other Remedies Upon an Event of Default or Event of Nonappropriation. Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee may exercise any remedies available hereunder, under the Lease or under the Ground Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Leased Property or the Trustee's interest in the Leased Property and apply the net proceeds thereof in accordance with **Section 7.05** herein and, whether or not it has done so, may pursue any other remedy available to it under the Lease, this Indenture, the Ground Lease or at law or in equity against the Trust Estate or the Leased Property.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy. Each remedy shall be in addition to any other remedy given to the Trustee or to the Certificate Owners hereunder 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 any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

No waiver of any default hereunder shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon.

Section 7.04. Rights of Certificate Owners. If an Event of Default or Event of Nonappropriation has occurred and is continuing and if instructed to do so by a Directive, and if indemnified as provided in **Section 9.01(m)**, the Trustee shall exercise such rights and remedies conferred by this Article as the Trustee, upon the advice of its chosen counsel, deems to be in the interests of the Certificate Owners.

Section 7.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances

incurred or made by the Trustee, be deposited into the Certificate Payment Fund. All moneys in the Funds, other than the Rebate Fund, shall be applied as follows:

(a) Unless the Principal Components of Base Rentals represented by the Certificates have become or have been declared due and payable, all moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of the Interest Components of Base Rentals represented by the Certificates in the order of the maturity of the installments of such interest and, to the payment ratably, according to the amount due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid Principal Components of Base Rentals represented by any Certificates that have become due (other than Principal Components of Base Rentals represented by Certificates with respect to the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of such due dates, with interest from the respective dates upon which they become due and, if the amount available is not sufficient to pay in full the Principal Components of Base Rentals represented by Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the Principal Components of Base Rentals represented by Certificates have become due or have been declared due and payable during the current Renewal Term, all such moneys shall be applied to the payment of the Principal Components and the Interest Components of the Base Rentals then due and unpaid upon the Certificates without preference or priority of principal over the interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the Principal Components of the Base Rentals represented by Certificates have been declared due and payable during the current Renewal Term and if such declaration thereafter has been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the Principal Components of Base Rentals represented by the Certificates later become due or are declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of 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 moneys available for the application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee applies such funds, it shall fix the date (which shall be a Payment Date unless it deems another date more suitable) upon which such application is to be made and upon such date interest on the Principal Components to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any Certificate until such Certificate is presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the Principal Component and the Interest Component of all Base Rentals represented by all Certificates have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in the Funds shall be paid to the City.

Section 7.06. Remedies Vested in Trustee. All remedies and rights of action (including the right to file proof of claims) under this Indenture or under any of the Certificates may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceedings relating thereto. 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 Owners of the Certificates. Any recovery of judgment or other amounts shall be for the equal benefit of the Owners of the Outstanding Certificates.

Section 7.07. Rights and Remedies of Certificate Owners. No Owner of any Certificates shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Ground Lease, the Lease or this Indenture for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder or hereunder, unless (a) an Event of Default or an Event of Nonappropriation has occurred; (b) the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee thereafter fails or refuses to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its name. Such occurrence, 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 the 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 right or remedy hereunder. No one or more Owners of the Certificates shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of this Indenture by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided. 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 Certificates then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Certificate Owner to enforce the payment of the Principal Component of and the Interest Component of the Base Rentals represented by any Certificate at and after the stated payment date or earlier mandatory prepayment thereof.

Section 7.08. Termination of Proceedings. If the Trustee has proceeded to enforce any right or remedy under the Ground Lease, the Lease or 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 and the Trustee shall be restored to their former respective positions and rights thereunder and hereunder and all rights remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Section 7.09. Waivers of Defaults. The Trustee shall waive any Event of Default and its consequences and rescind any declaration of the acceleration of the Principal Component of Base Rentals upon the written request of the Owners of (a) a majority in aggregate principal amount of all Certificates then Outstanding with respect to which a default in the payment of Principal Component of Base Rentals represented thereby exists; or (b) a majority in aggregate principal amount of all Certificates then Outstanding in the case of any other default; provided, however, that there shall not be waived (i) any Event of Default respecting the payment of the Principal Component of Base Rentals represented by any Certificate at its stated payment date, or (ii) any Event of Default respecting the payment of the Interest

Component of Base Rentals represented by any Certificate, unless prior to such waiver or rescission, all arrears of principal and interest when due, as the case may be, and all expenses of the Trustee in connection with such default have been paid or provided for and, if any such waiver, rescission or proceeding(s) taken by the Trustee on account of any such default have been discontinued or abandoned or determined adversely, then the Trustee, the City, and the Certificate Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.10. Notices of Defaults. If a default occurs of which the Trustee is required to take notice or if notice of default is given as provided in **Section 9.01(f)** herein, the Trustee shall give written notice thereof immediately, if a payment default, or within 30 days of the Trustee's knowledge thereof for any other default, by first class mail, postage prepaid, to the Owners of all Certificates then Outstanding at their respective addresses appearing on the Register.

ARTICLE VIII

DEFEASANCE

Section 8.01. Discharge of Indenture.

(a) When (i) all the Certificates have been paid or are deemed to be paid pursuant to **Section 8.02**, (ii) the City has delivered to the Trustee an Opinion of Counsel to the effect that the conditions for discharge contained herein and in **Section 8.02** have been satisfied, and (iii) provision satisfactory to the Trustee has been made to pay the fees, compensation and expenses of the Trustee, the obligations created by this Indenture shall cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply such moneys and Defeasance Obligations to the payment of the Certificates as herein set forth; provided, however, that all provisions hereof relating to compensation or indemnification of the Trustee shall survive the discharge of this Indenture.

(b) After all amounts owing to the Certificate Owners have been paid hereunder and under the Lease, the Trustee shall turn over to the City any surplus in the Funds other than moneys and Defeasance Obligations held for the payment of the Certificates at maturity or on prepayment, which moneys and Defeasance Obligations shall continue to be held by the Trustee in trust for the benefit of the Certificate Owners and shall be applied by the Trustee to the payment, when due, of the Principal Components and any premium and Interest Components of Base Rentals represented by the Certificates. After such payment, this Indenture shall become void.

Section 8.02. Certificates Deemed to be Paid.

(a) Any Certificate shall be deemed to be paid when (a) payment of the Principal Component of Base Rentals evidenced by such Certificate and premium, if any, thereon and the Interest Component of Base Rentals payable with respect thereto whether such payment is by reason of the stated payment date or upon prepayment as provided herein (or, if an Event of Nonappropriation has occurred, payment of an amount equal to the principal sum stated thereon plus interest on said principal sum at the rate stated therein to the date of payment) either (i) has been made in accordance with the terms thereof (determined assuming the City has appropriated funds to pay all Base Rentals through the final Renewal Term of the Lease or through the Renewal Term in which the Option Price is paid), or (ii) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient

to make such payment and/or (2) Defeasance Obligations, maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Certificate have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Certificate is deemed to be paid hereunder, such Certificate shall no longer be secured by or entitled to the security of this Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

(b) Notwithstanding the foregoing, in the case of Certificates that are to be prepaid, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Certificates as aforesaid until (a) proper notice of prepayment of such Certificates has been given in accordance with **Section 3.05** herein, or (b) if the Certificates are not to be prepaid within the next succeeding 90 days, until irrevocable instructions have been given to the Trustee to give such notice. Thereafter, if moneys or Government Obligations are deposited with and held by the Trustee as hereinabove provided, the Trustee shall within 30 days after such Defeasance Obligations have been deposited with it, give Notice by Mail to the Owners setting forth (i) the stated payment date or Prepayment Date, as the case may be, of the Certificates, (ii) a description of the Defeasance Obligations, if any, held by it, and (iii) that this Indenture has been released in accordance with the provisions of this Section.

(c) In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent public accountant or firm of independent public accountants verifying the sufficiency of the amounts on deposit with the Trustee to provide for payment in full of the Certificates as provided herein. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

ARTICLE IX

THE TRUSTEE

Section 9.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default or Event of Nonappropriation, and after the curing of all Events of Default which may have occurred, perform only such duties as are specifically set forth in this Indenture. The Trustee shall have no implied duties. The permissive right or power to take any action shall not be construed as a duty to take action under any circumstances, and the Trustee shall not be liable except in the event of its negligence or willful misconduct. The Trustee shall, during the existence of any Event of Default or Event of Nonappropriation, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee shall not be obligated to risk its own funds in the administration of the Trust Estate and shall have a first lien against the Trust Estate, prior to any payment of the Interest Component

or Principal Component, for its reasonable costs, fees, expenses and advancements. Notwithstanding any provision herein to the contrary, the Trustee need not take any action under this Indenture which may involve it in any expense or liability until indemnified to its satisfaction for any expense or liability, including liability related to environmental contamination, it reasonably believes it may incur.

(c) The Trustee is not responsible for any recitals contained in this Indenture or in the Certificates, or for the filing or refiling of the Indenture or security agreements (excluding the continuation of Uniform Commercial Code financing statements) in connection therewith, or for the sufficiency of the security for the Certificates.

(d) Unless specifically required by this Indenture, the Trustee shall not be required to give any bond or surety or report to any court despite any statute, custom or rule to the contrary.

(e) The Trustee may execute any of the duties under this Indenture by or through agents, attorneys, trustees or receivers.

(f) The Trustee shall not be required to take notice or be deemed to have notice of any default or other fact or event under this Indenture other than the City's failure to pay Base Rentals required by the Lease, unless the Trustee is specifically notified in writing of the default, fact or event by the City or Owners of Certificates representing not less than 25% of the aggregate Principal Component represented by the Certificates then Outstanding.

(g) The Trustee may consult legal counsel and shall not be liable for any act or omission taken or suffered pursuant to the opinion of such counsel addressed to the Trustee and the City. The fees and expenses of the counsel shall be deemed to be a proper expense of the Trustee.

(h) Unless specifically required by the terms of this Indenture, the Trustee need not take notice of or enforce any other document or relationship, including any contract, settlement, arrangement, plan, assignment, pledge, release, decree or the like, other than the Lease and the Ground Lease, but its duties shall be solely as set out in this Indenture.

(i) The City may remove the Trustee at any time unless an Event of Default or Event of Nonappropriation has occurred and is then continuing. The City shall give the Owners written notice of any such removal. The Trustee may be removed if at any time requested to do so by a Directive of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding if at any time the Trustee ceases to be eligible in accordance with subsection (l) of this Section, or becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee. Thereupon the City shall appoint a successor Trustee by an instrument in writing and shall notify the Owners of such appointment.

(j) The Trustee may at any time resign by giving written notice of such resignation to the City and the Certificate Owners. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing.

(k) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and has accepted appointment within 45 days of giving notice of removal or notice of

resignation as aforesaid, the resigning Trustee or any Certificate Owner (on behalf of himself and all other Certificate Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may, after such notice (if any) as it may deem proper, appoint a successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of the appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof. Thereupon, the successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of the predecessor Trustee, with like effect as if originally named Trustee herein, and the duties and obligations of the predecessor Trustee shall cease. Nevertheless, at the request of the City or the successor Trustee and upon payment of all fees and charges of the predecessor Trustee, the predecessor Trustee shall execute and deliver all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to the successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City shall execute and deliver all instruments as may be reasonably required for more fully and certainly vesting in and confirming to the successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall give Notice by Mail to the Owners of its acceptance.

(l) Any Trustee appointed under this Section in succession to the Trustee shall be a state or national trust company or bank having the powers of a trust company and having its principal corporate trust office in the State, having a combined capital and surplus of at least fifty million dollars ($50,000,000), and shall be subject to supervision and examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee ceases to be eligible in accordance with the provisions of this subsection (l), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(m) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including without limitation liability in connection with environmental contamination, and the cleanup thereof, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(n) The Trustee may elect not to proceed in accordance with the directions of the Owners of the Certificates without incurring any liability to the Certificate 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 Certificate Owners, and the Trustee may rely upon an opinion of counsel addressed to the Trustee in determining whether any action directed by Certificate Owners may result in such liability.

(o) The Trustee may inform the Certificate Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would

materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to this Indenture.

Section 9.02. Merger or Consolidation. Any entity into which the Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it is a party or any entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, provided such company shall be eligible under **Section 9.01** herein to be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9.03. Liability of Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the owner of Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Certificate Owners, whether or not such committee represents the Owners of a majority in principal amount of the Certificates then Outstanding.

Section 9.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, Certificate or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by a statement of the City, and such statement shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such statement. In its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 9.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City and any Certificate Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 9.06. Compensation of the Trustee. The City shall, from time to time, upon the written request of the Trustee, (a) pay to the Trustee reasonable compensation for its services as agreed to by the City and the Trustee and (b) reimburse the Trustee for all reasonable advances, fees, costs and expenditures, including but not limited to, advances to and reasonable fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by it in the exercise and performance of its powers and duties hereunder. Compensation under this Section (except that the initial fee is to be included in Costs of Delivery) is to be paid as Supplemental Rent pursuant to the Lease.

ARTICLE X

MISCELLANEOUS

Section 10.01. Waiver of Personal Liability. All obligations or liabilities under this Indenture on the part of the Trustee are solely corporate liabilities of the Trustee as a corporation. To the extent permitted by law, the City hereby releases each and every director, officer, agent or employee of the Trustee from any personal or individual liability under this Indenture. No director, officer, agent or employee of the Trustee shall at any time or under any circumstances be individually or personally liable under this Indenture for anything done or omitted to be done by the Trustee hereunder.

All obligations or liabilities under this Indenture on the part of the City are solely corporate liabilities of the City as a political subdivision. To the extent permitted by law, the Trustee hereby releases each and every official, member, employee or agent of the City from any personal or individual liability under this Indenture. No official, member, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Indenture for anything done or omitted to be done by the City hereunder.

Section 10.02. Indenture Binding Upon Parties and Successors. This Indenture shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns, subject to the limitations contained herein.

Section 10.03. Survival of Provisions. The obligations of the City with respect to matters arising before the termination of this Indenture (including any indemnification obligations and any obligation to pay additional interest) shall survive the termination of this Indenture.

Section 10.04. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture or the Lease to be given or filed with the Trustee or the City if the same is mailed by registered or certified mail with postage prepaid (except as indicated in (a) below) addressed as follows; provided, however, that Notice to the Trustee shall only be effective upon actual receipt:

(a) To the Owners of the Certificates if the same is mailed by first class mail, postage prepaid, addressed to each of the Owners of Certificates at the time Outstanding at his address as shown by the Register.

(b) If to the City:

City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118
Attention: City Manager

(c) If to the Trustee:

Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

A duplicate copy of each notice, certificate or other communication given hereunder to any of the parties mentioned in this Section shall be given to all other parties mentioned in the Section (other than the Owners of the Certificates unless a copy is required to be furnished to them by other provisions of this Indenture). The Trustee or the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent to it.

Section 10.05. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Indenture to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

SECURITY BANK OF KANSAS CITY,
as Trustee

(Seal)

By: _____
Name: Erica Lemon
Title: Vice President

ATTEST:

_____
Name: Pete Gardner
Title: SVP/Trust Manager

THE TERMS AND PROVISIONS OF THIS INDENTURE ARE HEREBY CONSENTED AND AGREED TO AND THE CITY OF GLADSTONE, MISSOURI, HEREBY ACCEPTS ALL OBLIGATIONS IMPOSED UPON IT UNDER THIS INDENTURE, ALL AS OF JUNE 1, 2021.

CITY OF GLADSTONE, MISSOURI

By: _____
City Manager

ATTEST:

_____
City Clerk

[Seal]



SCHEDULE 1

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

EXHIBIT A

(FORM OF CERTIFICATE OF PARTICIPATION)

NUMBER
_____ **$_____**

CITY OF GLADSTONE, MISSOURI

CERTIFICATE OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Interest Rate	Stated Payment Date	Certificate Date	CUSIP
_____%	_____, 20__	_____ ___, 2021	_____

Registered Owner: **CEDE & CO.**

Principal Sum: **_____ DOLLARS**

THIS IS TO CERTIFY that the Registered Owner identified above of this Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in a Lease Purchase Agreement dated as of June 1, 2021 (the "Lease"), between **SECURITY BANK OF KANSAS CITY**, Kansas City, Missouri, a national banking association, as lessor (the "Trustee"), and the City of Gladstone, Missouri, as lessee (the "City"), including payments of Base Rentals to be made thereunder (the "Base Rentals"). The City is authorized to enter into the Lease pursuant to applicable laws, including the Constitution and statutes of the State of Missouri. This Certificate is secured by a pledge of the Base Rentals pursuant to an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), by the Trustee and the City.

THE REGISTERED OWNER of this Certificate is entitled to receive, subject to the terms of the Lease and the Indenture, on the Stated Payment Date specified above, or if selected for prepayment, on the prepayment date, the Principal Sum specified above, representing a portion of the Base Rentals designated as principal coming due on the Stated Payment Date, and to receive from the Certificate Date shown above or from the most recent date to which the same has been paid, the Registered Owner's proportionate share of Base Rentals designated as interest semi-annually thereafter on March 1 and September 1 of each year beginning September 1, 2021 (each a "Payment Date") to and including the Stated Payment Date or the prepayment date, whichever is earlier. The proportionate share of the Base Rentals designated as interest is computed on the Principal Sum specified above at the Interest Rate specified above on the basis of a 360-day year of twelve 30-day months.

SAID AMOUNTS are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal and prepayment premium, if any, are payable at the corporate trust office of the Trustee upon the presentation and surrender of this Certificate. The amounts representing interest are payable to the person in whose name this Certificate is registered in the register maintained by the Trustee at the close of

business on the fifteenth day (whether or not a business day) of the month preceding each Payment Date, by check or draft mailed to the Registered Owner at his address as it appears in said register.

NEITHER THE BASE RENTALS NOR ANY OTHER AMOUNTS DUE UNDER THE LEASE CONSTITUTE A DEBT, A GENERAL OBLIGATION OR A LIABILITY OF THE LESSEE WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE LESSEE IS PLEDGED TO THE PAYMENT OF THE BASE RENTALS OR ANY OTHER AMOUNTS DUE UNDER THE LEASE. THE REGISTERED OWNER SHALL NOT HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE LESSEE FOR THE PAYMENT OF THE PRINCIPAL COMPONENT AND INTEREST COMPONENT OF BASE RENTALS UNDER THE LEASE REPRESENTED BY THIS CERTIFICATE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE LEASE.

This Certificate is one of a duly authorized series of certificates of participation designated "City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A" (the "Certificates"), in the aggregate amount of $[Principal Amount], evidencing proportionate interests of the owners thereof in Base Rentals to be made by the City pursuant to the Lease.

This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Indenture. Copies of the Lease and the Indenture are on file at the office of the City and at the payment office of the Trustee. Reference to the Lease and the Indenture and any and all amendments and supplements thereto is made for a description of the pledges and covenants of the City securing the Base Rentals, the nature, extent and manner of enforcement of such pledges and covenants and the rights and the terms and conditions upon which the Certificates are delivered thereunder.

The Indenture permits certain amendments or supplements to the Indenture and the Lease not materially adverse to the security for the Certificate owners to be made without the consent of or notice to the Certificate owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Certificates then outstanding and other amendments or supplements thereto to be made only with the consent of all Certificate owners.

The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032, and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

The Certificates are subject to optional prepayment as a whole or in part at any time upon the occurrence of certain extraordinary events described in the Indenture, at the principal sum represented by the Certificates so prepaid plus accrued interest thereon to the prepayment date, without premium.

The Series 2021A Certificates with a stated maturity of March 1, 2039 are subject to mandatory prepayment as set forth in the Indenture.

If less than all of the outstanding Certificates are prepaid, Certificates shall be prepaid in such order of stated payment dates as shall be determined by the City. Within a maturity, Certificates to be prepaid shall be selected by the Trustee in such equitable manner as the Trustee may determine.

If any of the Certificates are to be prepaid, notice thereof identifying the Certificates to be prepaid will be given by first class mail, postage prepaid, mailed at least 30 days prior to the prepayment date to

each registered owner of Certificates to be prepaid. All Certificates for which notice of prepayment is given will cease to bear interest on the specified prepayment date (provided moneys or certain securities for their prepayment are on deposit at the place of payment at that time), shall cease to be entitled to any benefit or security under the Indenture and shall no longer be deemed to be outstanding under the Indenture.

This Certificate is transferable upon the Certificate register, which shall be kept for that purpose at the corporate trust office of the Trustee, upon surrender and cancellation of this Certificate together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney-in-fact and upon payment of the charges provided in the Indenture. Upon such transfer a new fully registered Certificate or Certificates of the same maturity and aggregate principal amount will be delivered to the transferee. The Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Certificates may be delivered in the form of fully registered Certificates in the denomination of $5,000 or any integral multiple thereof, subject to certain limitations and as otherwise provided in the Indenture. The Certificates, upon surrender thereof at the corporate trust office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered owner or his attorney-in-fact duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Certificates of any authorized denomination of the same maturity. No service charge shall be made for any transfer or exchange of Certificates, but the Trustee may require payment of any tax or governmental charge in connection therewith.

THE TRUSTEE has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners thereof, the various funds and accounts established under the Indenture.

THE LESSEE has certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Missouri, and the Lease to exist, to have happened and to have been performed precedent to the delivery of the Lease, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by an authorized signatory as of the date set forth above.

SECURITY BANK OF KANSAS CITY,
not in its individual capacity but solely as
Trustee under the Indenture

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

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

_____.

Please Print or Type Name Address and
Employee Identification Number or Social Security Number of Transferee

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

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

_____

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

By: _____

Title: _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST
FOR [COSTS OF DELIVERY][COSTS OF THE PROJECT]

Request No. ___ Date: _____

WRITTEN REQUEST FOR DISBURSEMENT FROM
THE CONSTRUCTION FUND

City of Gladstone, Missouri
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

To: SECURITY BANK OF KANSAS CITY
Kansas City, Kansas
Attn: Corporate Trust Department

Pursuant to **Section 4.04** of the Indenture of Trust dated as of June 1, 2021 (the "Indenture"), the undersigned hereby requests payment from the Construction Fund in accordance with this request, and hereby certifies as follows:

1. All terms in this request shall have the meanings specified in the Indenture.

2. The names of the persons, firms or corporations to whom the payments requested hereby are due. The addresses of said persons, firms or corporations, the amounts to be paid and a description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on Attachment I hereto.

3. Said costs have been made or incurred by the City and have been paid by the City, if payment to the City is requested, or, if payment to the City is not requested, are presently due to the persons to whom payment is requested.

4. Said costs are valid [Costs of Delivery][Costs of the Project] under the Indenture and proper charges against the Construction Fund. No part thereof has been, is being or will be made the basis for the withdrawal of any moneys in any previous, pending or subsequent request filed with the Trustee pursuant to the Indenture.

5. There has not been filed with or served upon the City any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the respective amounts stated in said certificate which has not been released or will not be released simultaneously with the payment of such obligation.

6. No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Lease Default.

7. Invoices, statements, vouchers or bills for the amounts requested for all services or materials furnished by contractors, except as to any retainage, related to amounts specified in this certificate are attached hereto.

8. Lien waivers for all services or materials included in amounts requested by previous Disbursement Requests, except as to any retainage, have been furnished to the Trustee or are attached hereto.

CITY OF GLADSTONE, MISSOURI

By: _____
Name:
Title:

TAX COMPLIANCE AGREEMENT

Dated as of June 1, 2021

between

CITY OF GLADSTONE, MISSOURI

and

SECURITY BANK OF KANSAS CITY,
as Trustee

$14,840,000
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Evidencing a Proportionate Interest
In Base Rentals to be Made by
City of Gladstone, Missouri,
Pursuant to an Annually-Renewable
Lease Purchase Agreement

TAX COMPLIANCE AGREEMENT

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* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "Tax Agreement"), is entered into as of June 1, 2021, between **CITY OF GLADSTONE, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the "Issuer") and **SECURITY BANK OF KANSAS CITY**, a state banking corporation organized and existing under the laws of the State of Kansas, as Trustee (the "Trustee").

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery by the Issuer of $14,840,000 principal amount of Certificates of Participation (Capital Projects), Series 2021A (the "Certificates"), under an annually-renewable Lease Purchase Agreement dated as of June 1, 2021 (the "Lease"), between the Issuer, as lessee, and the Trustee, as lessor. The Certificates evidence proportionate interests in the right to receive Base Rentals to be paid the Issuer under the Lease and are being executed and delivered pursuant to an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), made by the Trustee, for the purposes described in the Indenture, the Lease and this Tax Agreement.

2. The Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the "Regulations"), impose certain limitations on the uses and investment of the Certificate proceeds and of certain other money relating to the Certificates and set forth the conditions under which the Interest Component of Base Rentals represented by the Certificates will be excluded from gross income for federal income tax purposes.

3. The Issuer and the Trustee are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Certificate proceeds and the property financed or refinanced with those proceeds and the investment of the Certificate proceeds and of certain other related money, in order to establish and maintain the exclusion of the Interest Component of Base Rentals represented by the Certificates from gross income for federal income tax purposes.

4. The Issuer adopted a Tax-Exempt Financing Compliance Policy and Procedure on June 24, 2013 (the "Compliance Procedure"), for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Agreement is entered into as required by the Compliance Procedure to set out specific tax compliance procedures applicable to the Certificates.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the Issuer and the Trustee represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Indenture and the Lease, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

"Adjusted Gross Proceeds" means the Gross Proceeds of the Certificates reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

"Annual Compliance Checklist" means a checklist for the Certificates designed to measure compliance with the requirements of this Tax Certificate and the Compliance Procedure after the Issue Date, as further described in **Section 4.2** hereof and substantially in the form attached hereto as **Exhibit E**.

"Available Construction Proceeds" means the sale proceeds of the Certificates, increased by (i) Investment earnings on the sale proceeds, (ii) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Certificates but not funded from the Certificates, and (iii) earnings on such earnings, reduced by sale proceeds (A) in any reasonably required reserve fund or (B) used to pay issuance costs of the Certificates. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (a) the second anniversary of the Issue Date or (b) the date the Financed Facilities are substantially completed.

"Bona Fide Debt Service Fund" means a fund, which may include Certificate proceeds, that (a) is used primarily to achieve a proper matching of revenues with Base Rentals within each Certificate Year; and (b) is depleted at least once each Certificate Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Certificate Year, or (2) one-twelfth of the Base Rentals on the Certificates for the immediately preceding Certificate Year.

"Bond Compliance Officer" means the Issuer's Budget Officer or other person named in the Compliance Procedure.

"Certificate" or **"Certificates"** means any Certificate or Certificates described in the recitals, authenticated and delivered under the Indenture.

"Certificate Year" means each one-year period (or shorter period for the first Certificate Year) ending June 1, or another one-year period selected by the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compliance Procedure" means the Issuer's Tax-Exempt Financing Compliance Policy and Procedure described in the recitals.

"Computation Date" means each date on which arbitrage rebate for the Certificates is computed. The Issuer may treat any date as a Computation Date, subject to the following limits:

(a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;

(b) each subsequent rebate installment payment must be made for a Computation Date not later than five years after the previous Computation Date for which an installment payment was made; and

(c) the date the last Certificate is discharged is the final Computation Date.

The Issuer selects June 1, 2026, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

"Final Written Allocation" means the Final Written Allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Compliance Procedure and **Section 4.2(b)**.

"Financed Facilities" means the portion of the Project being financed or refinanced with the proceeds of the Certificates as described on **Exhibit D**.

"Gross Proceeds" means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Certificates, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, or other Investment proceeds), (c) any amounts held in a sinking fund for the Certificates, (d) any amounts held in a pledged fund or reserve fund for the Certificates and (e) any other replacement proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

(1) Construction Fund.
(2) Certificate Payment Fund.
(3) Prepayment Fund.
(4) Rebate Fund (to the extent funded with sale or investment proceeds of the Certificates).

"Guaranteed Investment Contract" is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

"Indenture" means the Indenture of Trust dated as of June 1, 2021, as originally executed by the Trustee, as amended and supplemented in accordance with the provisions thereof.

"Interest Component" means the portion of each Base Rental that represents the payment of interest, as set forth in the Lease.

"Investment" means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for "specified private activity bonds" as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

"IRS" means the United States Internal Revenue Service.

"Issue Date" means June 24, 2021.

"Issuer" means City of Gladstone, Missouri, and its successors and assigns, or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Issuer.

"Lease" means the Lease Purchase Agreement dated as of June 1, 2021, between the Trustee, as lessor, and the Issuer, as lessee, as amended and supplemented in accordance with the provisions thereof.

"Management Agreement" means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facilities, such as a contract to manage the entire Financed Facilities or a portion of the Financed Facilities. However, contracts for services that are solely incidental to the primary governmental function of the Financed Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management Agreements.

"Measurement Period" means, with respect to each item of property financed as part of the Financed Facilities, the period beginning on the later of (i) the Issue Date or (ii) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Certificates, or (B) the expected economic useful life of the property.

"Minor Portion" means the lesser of $100,000 or 5% of the sale proceeds of the Certificates.

"Municipal Advisor" means Baker Tilly Municipal Advisors, LLC.

"Net Proceeds" means the sale proceeds of the Certificates (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all Investment earnings on such sale proceeds.

"Non-Qualified Use" means the use of Certificate proceeds or the Financed Facilities in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Certificate proceeds or the Financed Facilities are "used" in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facilities, will constitute use under Regulations § 1.141-3.

"Non-Qualified User" means any person or entity other than a Qualified User.

"Opinion of Special Tax Counsel" means the written opinion of Armstrong Teasdale LLP or other nationally recognized firm of bond counsel. Unless otherwise specifically noted herein, an Opinion of Special Tax Counsel must conclude that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the Interest Component from gross income for federal income tax purposes.

"Post-Issuance Tax Requirements" means those requirements related to the use of proceeds of the Certificates, the use of the Financed Facilities and the investment of Gross Proceeds after the Issue Date of the Certificates.

"Principal Component" means the portion of each Base Rentals that represents the payment of principal as set forth in the Lease.

"Project" means the renovation, expansion, construction and improvement of the buildings, facilities, and projects listed on **Exhibit D** using proceeds of the Certificates and other funds of the Issuer.

"Qualified Use Agreement" means any of the following:

(1) A lease or other short-term use by members of the general public who occupy the Financed Facilities on a short-term basis in the ordinary course of the Issuer's governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 200 days in length pursuant to an arrangement whereby (a) the use of the Financed Facilities under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 100 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Financed Facilities was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Facilities was not constructed for a principal purpose of providing the property for use by that person.

(5) Except for vending machines, pay telephones, kiosks, and similar uses, agreements with Qualified Users or Non-Qualified Users whereby (a) there is not a transfer of possession and control of space that is separated from other areas of the Financed Facilities by walls, partitions or other physical barriers, (b) the nonpossessory use is not functionally related to any other use of the Financed Facilities by that same user (other than a different nonpossessory use); and (c) all nonpossessory uses of the Financed Facilities do not, in the aggregate, involve the use of more than 2.5% of the Financed Facilities.

"Qualified User" means a state, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

"Reasonable Retainage" means Gross Proceeds retained by the Issuer for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such

amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Certificates on the date 18 months after the Issue Date, or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

"Rebate Analyst" means a firm of nationally recognized bond counsel or a firm of independent certified public accountants selected by the Issuer to compute arbitrage rebate in accordance with the terms herein.

"Regulations" means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Certificates.

"Special Tax Counsel" means Armstrong Teasdale LLP, or other firm of nationally recognized bond counsel acceptable to the Issuer.

"Tax Agreement" means this Tax Compliance Agreement as it may from time to time be amended and supplemented in accordance with its terms.

"Tax-Exempt Bond File" means documents and records for the Lease and related Certificates maintained by the Bond Compliance Officer pursuant to the Compliance Procedure.

"Transcript" means the Transcript of Proceedings relating to the authorization and issuance of the Certificates.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, and its successor or successors and any other corporation or association which at any time may be substituted in its place at the time serving as Trustee under the Indenture.

"Underwriter" means Robert W. Baird & Co., Inc. – Red Bank, New Jersey.

"Yield" means yield on the Certificates, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

(a) *Organization and Authority*. The Issuer (1) is a political subdivision organized and existing under the laws of the State of Missouri, and (2) has lawful power and authority to enter into, execute and deliver the Lease, the Certificates, the Indenture, and this Tax Agreement, and to carry out its obligations under the Lease, the Certificates, the Indenture, and this Tax Agreement, and (3) by all necessary action has been duly authorized to execute and deliver the Lease, the Certificates, the Indenture, and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Certificates–General Representation and Covenants*. In order to maintain the exclusion of the Interest Component of the Base Rentals represented by the Certificates from gross income for federal income tax purposes, the Issuer (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or

invest, or permit the use or investment of, any Certificate proceeds, other money held under the Indenture, or other funds of the Issuer, in a manner that would violate applicable provisions of the Code, and (3) will not use, or permit the use of, any portion of the Financed Facilities in a manner that would cause the Certificates or the Lease to become a "private activity bond" as defined in Code § 141.

(c) *Use of Financed Facilities*. Throughout the Measurement Period, (1) all of the Financed Facilities are expected to be owned by the Issuer or another Qualified User, (2) no portion of the Financed Facilities is expected to be used in a Non-Qualified Use, and (3) the Issuer will not permit any Non-Qualified Use of the Financed Facilities without first obtaining an Opinion of Special Tax Counsel.

(d) *Private Security or Payment*. As of the Issue Date, the Issuer expects that none of the Base Rentals represented by the Certificates will be (under the terms of the Lease or any underlying arrangement) directly or indirectly:

(1) secured by (i) any interest in property used or to be used for a private business use, or (ii) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Lease or the Certificates without first obtaining an Opinion of Special Tax Counsel.

(e) *No Private Loan.* Not more than 5% of the net proceeds of the Certificates will be loaned directly or indirectly to any Non-Qualified User.

(f) *Management Agreements*. As of the Issue Date, the Issuer has no Management Agreements with Non-Qualified Users that result in or cause Non-Qualified Use of the Financed Facilities. During the Measurement Period, the Issuer will not enter into or renew any Management Agreement with any Non-Qualified User without first obtaining an Opinion of Special Tax Counsel.

(g) *Leases*. During the Measurement Period, the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Special Tax Counsel.

(h) *Limit on Maturity of Certificates*. A description of the assets included as part of the Financed Facilities is attached to this Tax Agreement as **Exhibit D**. The "average maturity" of the Certificates does not exceed 120% of the average reasonably expected economic life of the Financed Facilities).

(i) *Reimbursement of Expenditures.* On July 22, 2019, the governing body of the Issuer adopted a resolution declaring the intent of the Issuer to finance the Financed Facilities with tax-exempt bonds and to reimburse the Issuer for expenditures made for the Financed Facilities prior to the issuance of those bonds. A copy of the resolution is included as **Exhibit C**. $44,559.97 of the Net Proceeds of the Certificates will be used to reimburse any expenditures paid by the Issuer prior to the Issue Date and will be shown on line 45a of Form 8038-G. No portion of the Net Proceeds of the Certificates will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the resolution was adopted. The Issuer will evidence each allocation of the proceeds of the Certificates to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than three years before the date of

the reimbursement allocation. No reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure, or (2) the date the Financed Facilities were placed in service.

(k) *Registered Certificates*. The Indenture requires that all of the Certificates will be issued and held in registered form within the meaning of Code § 149(a).

(l) *Certificates Not Federally Guaranteed*. The Issuer will not take any action or permit any action to be taken which would cause its Base Rentals under the Lease, or any Certificate, to be "federally guaranteed" within the meaning of Code § 149(b).

(m) *IRS Form 8038-G*. Special Tax Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Issuer contained in this Tax Agreement or otherwise provided by the Issuer. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer's records. The Issuer agrees to timely execute and return to Special Tax Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the "as-filed" Form 8038-G, along with proof of filing, will be included as **Exhibit B**. The Issuer has allocated $$44,559.97 of the Net Proceeds of the Certificates to reimburse expenditures made prior to the Issue Date and that amount should be reflected on Line 45a of Form 8038-G. A list of expenditures to be reimbursed is included as part of **Exhibit D**.

(n) *Hedge Bonds*. With respect to the execution and delivery of the Certificates, the Issuer certifies that: (1) the payment of all legal and underwriting costs is not contingent; and (2) at least 95% of the reasonably expected legal and underwriting costs associated with the Certificates will be paid not later than the 180th day after the Issue Date. The Issuer reasonably expects that the net sale proceeds of the Certificates will be used to carry out the governmental purpose of the Certificates in accordance with the following schedule:

Time Period After the Issue Date	**Minimum percentage of net sale proceeds spent**
1 year	10%
2 years	30%
3 years	60%
5 years	85%

(o) *Compliance with Future Tax Requirements*. The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in the future. The Issuer will comply with such future restrictions that are necessary to maintain the exclusion of the Interest Component of Base Rentals from gross income for federal income tax purposes.

(p) *Single Issue; No Other Issues*. The Certificates constitute a single "issue" under Regulations § 1.150-1(c)(4)(i). No other debt obligations of the Issuer (1) are being sold within 15 days of the sale of the Certificates, (2) are being sold under the same plan of financing as the Certificates, and (3) are expected to be paid from substantially the same source of funds as the Certificates (disregarding guarantees from unrelated parties, such as bond insurance).

(q) *Interest Rate Swap.* As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Certificates. The Issuer will not enter into any such arrangement in the future without obtaining an Opinion of Special Tax Counsel.

(r) *Guaranteed Investment Contract.* The Issuer expects to enter into a Guaranteed Investment Contract in connection with a portion of the Gross Proceeds of the Certificates shortly after the Issue Date of the Certificates. In addition to following all of the instructions set forth in **Section 4.4(d)** of this Tax Agreement, the Issuer will provide Special Tax Counsel with copies of the records specified in **Section 4.4(d)(5)** of this Tax Agreement so that they may be included in the Transcript along with a copy of the Guaranteed Investment Contract. The Issuer understands that unless separately engaged pursuant to a written agreement, Special Tax Counsel is not responsible for any aspect of the solicitation or negotiation the Guaranteed Investment Contract.

(s) *Bank Qualified Tax-Exempt Obligation.* The Lease has not been designated as a "qualified tax-exempt obligation" under Code § 265(b)(3).

Section 2.2. Representations and Covenants of the Trustee. The Trustee represents and covenants to the Issuer as follows:

(a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter or Opinion of Special Tax Counsel, specifically referencing the Certificates and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other requirements necessary to maintain the exclusion of the Interest Component from gross income for federal income tax purposes.

(b) The Trustee, acting on behalf of the Issuer, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Trustee with such information as it may request in order to determine all matters relating to (a) the Yield on the Certificates as it relates to any data or conclusions necessary to verify that the Certificates are not "arbitrage bonds" within the meaning of Code § 148, and (b) compliance with arbitrage rebate requirements of Code § 148(f). The Issuer will pay all costs and expenses incurred in connection with supplying the foregoing information.

Section 2.3. Survival of Representations and Covenants. All representations, covenants and certifications of the Issuer and the Trustee contained in this Tax Agreement or in any certificate or other instrument delivered by the Issuer or the Trustee under this Tax Agreement, will survive the execution and delivery of such documents and the issuance of the Certificates, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Certificates.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this **Article III** is to certify, under Regulations § 1.148-2(b), the Issuer's expectations as to the sources, uses and investment of Certificate proceeds and other money, in order to support the Issuer's conclusion that the Lease and the Certificates are not arbitrage bonds. The person executing this Tax Agreement on behalf of the Issuer is an officer of the Issuer responsible for issuing the Lease and authorizing the Trustee to deliver the Certificates.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this **Article III** are based upon and in reliance upon the Issuer's understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer's knowledge, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the Issuer set forth in this Tax Agreement are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Agreement are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purpose of Financing. The Lease is being issued, and the Certificates are being delivered, for the purpose of providing funds to (a) finance costs of the Financed Facilities and (b) pay costs related to the execution and delivery of the Certificates.

Section 3.4. Funds and Accounts. Under the Indenture, the following funds have been created:

(a) Construction Fund.
(b) Certificate Payment Fund.
(c) Prepayment Fund.
(d) Rebate Fund.

Section 3.5. Amount and Use of Certificate Proceeds.

(a) *Amount of Certificate Proceeds.* The total proceeds to be received by the Issuer from the sale of the Certificates will be as follows:

Principal Amount	$14,480,000
Net Original Issue Premium	$1,409,862.40
Underwriting Discount	($192,570.40)
Total Proceeds Received by Issuer	$16,057,292.00

(b) *Use of Certificate Proceeds.* The net proceeds of the Certificates shall be deposited or applied as follows: $16,249,862.40 from the proceeds of the Certificates will be deposited in the Construction Fund; of this amount $349,862.40 (which amount includes all title policy and real estate costs associated with the Certificates, as well as the Underwriting Discount in the amount of $192,570.40) will be used to pay the costs of executing and delivering the Lease and the Certificates; and $15,900,000 will be used to pay the costs of the Financed Facilities.

Section 3.6. Multipurpose Issue. The Issuer is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes pursuant to Regulations § 1.148-9(h)(3)(i).

Section 3.7. No Advance Refunding. No proceeds of the Certificates will be used more than 90 days following the Issue Date to pay the principal of or interest on any other debt obligation.

Section 3.8. No Current Refunding. No proceeds of the Certificates will be used to pay the principal of or interest on any other debt obligation.

Section 3.9. Project Completion. The Issuer has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Certificates on the Financed Facilities. The completion of the Financed Facilities and the allocation of the Net Proceeds of the Certificates to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Certificates will be allocated to expenditures on the Financed Facilities within three years after the Issue Date.

Section 3.10. Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the Base Rentals. Such payments will be deposited into the Certificate Payment Fund. Except for the Certificate Payment Fund and the Prepayment Fund, no sinking fund or other similar fund that is expected to be used to make Base Rentals has been established or is expected to be established. The Certificate Payment Fund is used primarily to achieve a proper matching of revenues with Base Rentals within each Certificate Year, and the Issuer expects that the Certificate Payment Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

(a) *Reserve Fund*. No reserve or replacement fund has been established for the Certificates.

(b) *No Other Replacement or Pledged Funds*. None of the Certificate proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facilities and that instead have been or will be used to acquire higher Yielding Investments. Except for the Certificate Payment Fund and the Prepayment Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for the payment of Base Rentals if the Issuer encounters financial difficulty.

(c) *Prepayment Fund.* The Indenture establishes the Prepayment Fund. Amounts held in this fund may be used solely for the purpose of prepaying the Principal Component and Interest Component of Base Rentals represented by the Certificates, together with premium, if any, in advance of the stated payment dates of the Certificates and will be applied on or after the Optional Prepayment Date or other date designated for prepayment of the Certificates upon presentation and surrender of such Certificates and the payment of the Prepayment Price. Therefore, amounts held in the Prepayment Fund are pledged or committed in a manner that provides a reasonable assurance that such funds would be available for the payment of Base Rentals if the Issuer encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The proceeds of the Certificate will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Purchase Prices and Yield on Lease.

(a) *Issue Prices*. Based on the Underwriter and Municipal Advisor certifications in the Transcript, the Issuer hereby elects to establish the issue prices of the Certificates pursuant to Regulations § 1.148-1(f)(2)(iii) (relating to the so-called "competitive sales rule"). Therefore, the aggregate issue price of the Certificates for such purpose is $16,249,862.40.

(b) *Yield on the Lease*. Based on the issue price of the Certificates, the Yield on the Lease is 1.7266947%, as computed by the Municipal Advisor and shown on **Exhibit A**. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Certificates.

Section 3.14. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device*. The Certificates are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance.* The sale proceeds of the Certificates, together with expected Investment earnings thereon and other money contributed by the Issuer, do not exceed the cost of the governmental purpose of the Certificates as described above.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the Issuer does not expect that the Certificate proceeds will be used in a manner that would cause the Lease or any Certificate to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article*. The purpose of this Article is to supplement the Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Certificates are issued. The Issuer recognizes that the Interest Component of the Base Rentals represented by the Certificates will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Certificates to be refinanced with tax-exempt obligations and substantiate the position that the Interest Component of the Base Rentals represented by the Certificates is exempt from gross income in the event of an audit of the Certificates by the IRS.

(b) *Written Policies and Procedures of the Issuer.* The Issuer intends for the Compliance Procedure, as supplemented by this Tax Agreement, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Certificates and to supplement any other formal policies and procedures related to tax compliance that the Issuer has established. The provisions of this Tax Agreement are intended to be consistent with the Compliance Procedure. In the event of any inconsistency between the Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

(c) *Bond Compliance Officer.* The Issuer, when necessary to fulfill its Post-Issuance Tax Requirements will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Certificates or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Certificates.

Section 4.2. Record Keeping; Use of Certificate Proceeds and Use of Financed Facilities.

(a) *Record Keeping*. The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Certificates in accordance with the Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Certificates or (ii) any obligation issued to refund the Certificates. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Issuer and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.

(b) *Accounting and Allocation of Certificate Proceeds to Expenditures*. The Bond Compliance Officer will account for the investment and expenditure of Certificate proceeds in the level of detail required by the Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Certificate proceeds to expenditures with a Final Written Allocation as required by the Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit F**.

(c) *Annual Compliance Checklist*. Attached as **Exhibit E** is a form of Annual Compliance Checklist for the Certificates. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facilities at least annually in accordance with the Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take such action, including the actions identified in **Section 4.1(c)** of this Tax Agreement and in the Compliance Procedure, to correct any deficiency.

(d) *Opinions of Special Tax Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer and the Trustee any Opinion of Special Tax Counsel required under the provisions of this Tax Agreement or the Annual Compliance Checklist.

Section 4.3 Temporary Periods/Yield Restriction. Except as described below, the Issuer will not invest Gross Proceeds at a Yield greater than the Yield on the Certificates:

(a) *Construction Fund.* Certificate proceeds deposited in the Construction Fund, including any amounts held to pay the costs of executing and delivering the Lease and the Certificates, and investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain after 3 years, those amounts may continue to be invested without Yield restriction so long as the Issuer pays to the IRS all Yield reduction payments in

accordance with Regulations § 1.148-5(c). These payments are required whether or not the Certificates are exempt from the arbitrage rebate requirements of Code § 148.

(b) *Certificate Payment Fund*. To the extent that the Certificate Payment Fund and qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

(c) *Minor Portion*. In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Procedures for Establishing Fair Market Value.

(a) *General*. No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.

(b) *Established Securities Market*. Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) *Certificate of Deposit*. The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts*. The Issuer is applying Regulations § 1.148-5(d)(6)(iii)(A) to the Certificates. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Issuer or the Trustee makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers.

(B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider

did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer, the Trustee, or any other person (whether or not in connection with the Certificate issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer, the Trustee, or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are "commercially reasonable." A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Issuer's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(G) At least three "reasonably competitive providers" are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least three bids are received from providers that were solicited as described above and that do not have a "material financial interest" in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least one of the three bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest Yielding bona fide bid (determined net of any broker's fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Issuer and the Trustee retain the following records with the Tax-Exempt Bond File until three years after the last outstanding Certificate is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer or the Trustee, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least three bids on the Investment must be received from persons with no financial interest in the Certificates (*e.g.,* as purchasers or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General.* A portion of the Gross Proceeds of the Certificates may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Certificates and will not otherwise affect the application of the Investment limitations described in **Section 4.3**. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.6** applies even if a portion of the gross proceeds of the Certificates is exempt from the rebate requirement. To the extent all or a portion of the Certificates is exempt from Rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.6**. The Issuer may defer the final rebate Computation Date and the payment of rebate for the Certificates to the extent permitted by Regulations § 1.148-7(b)(1) and § 1.148-3(e)(2) but only in accordance with specific written instructions provided by the Rebate Analyst.

(b) *Applicable Spending Exceptions*.

(1) The Issuer expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the Issuer.

(2) The following optional rebate spending exceptions can apply to the Certificates:

(a) 6-month Exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c))]
(b) 18-month Exception (Regulations § 1.148-7(d)).
(c) 2-year Exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Certificate Payment Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the account cannot be taken into account in computing arbitrage rebate (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception, or (2) for a given Certificate Year, if the gross earnings on the Certificate Payment Fund for such Certificate Year are less than $100,000.

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the Issuer may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the Issuer must continue to comply with **Section 4.6** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Certificate is not taken into account as expenditure for purposes of meeting any of the spending tests.

(2) The six-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent within six months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial six-month period, so long as this amount is spent within one year of the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent in accordance with the following schedule:

Time Period After the Issue Date	**Minimum Percentage of Adjusted Gross Proceeds Spent**
6 months	15%
12 months	60%
18 months (Final)	100%

(4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(5) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the final spending requirement is disregarded if the Issuer uses due diligence to complete the Financed Facilities and the failure does not exceed the lesser of 3% of the aggregate issue price the Certificates or $250,000. No such exception applies for any other spending period.

(6) For purposes of applying the 18-month and 2-year spending exceptions only, the Certificates meet the applicable spending test even if, at the end of the final spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months (in the case of the 18-month exception) or 3 years (in the case of the 2-year spending test) after the Issue Date.

Section 4.6. Computation and Payment of Arbitrage Rebate.

(a) *Rebate Fund*. The Trustee will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Agreement. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.

(b) *Computation of Rebate Amount*. The Trustee will provide the Rebate Analyst with Investment reports relating to each fund held by the Trustee that contains Gross Proceeds of the Certificates at such times as reports are provided to the Issuer, and not later than ten days following each Computation Date. The Issuer will provide the Rebate Analyst with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the Trustee annually as of the end of each Certificate Year and not later than ten days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Certificates, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the Trustee and the Issuer together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the arbitrage rebate due, the Issuer will, within 55 days after such Computation Date, pay to the Trustee the amount of the deficiency for deposit into the Rebate Fund. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount, the Trustee will transfer such surplus in the Rebate Fund to the Certificate Payment Fund. After the final Computation

Date or at any other time if the Rebate Analyst has advised the Trustee, any money left in the Rebate Fund will be paid to the Issuer and may be used for any purpose not prohibited by law.

(b) *Rebate Payments*. Within 60 days after each Computation Date, the Trustee must pay (but solely from money in the Rebate Fund or funds provided by the Issuer) to the United States the rebate amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

Section 4.7. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the Issuer desires that a different firm act as the Rebate Analyst, then the Issuer by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Agreement, will engage a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder. In the event the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason and the Issuer fails to appoint a qualified successor Rebate Analyst within thirty (30) days following notice of such resignation then the Trustee will appoint a firm to act as the successor Rebate Analyst.

Section 4.8. Filing Requirements. The Trustee and the Issuer will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel.

Section 4.9. Survival after Defeasance. Notwithstanding anything in the Indenture to the contrary, the obligation to pay arbitrage rebate to the United States will survive the payment or defeasance of the Certificates.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the issuance and delivery of the Certificates and will continue in force and effect until the Base Rentals with respect to the Certificates have been fully paid and all such Certificates are cancelled; provided that, the provisions of **Article IV** of this Tax Agreement regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States, and the provisions of **Section 4.2** relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the parties to this Tax Agreement without notice to or the consent of any of the Certificate owners, but only if such amendment is in writing and is accompanied by an Opinion of Special Tax Counsel to the effect that, under then existing law, assuming compliance with this Tax Agreement as so amended, such amendment will not cause any payment of the Interest Components to be included in gross income for federal income

tax purposes. No such amendment will become effective until the Issuer and the Trustee receive this Opinion of Special Tax Counsel.

Section 5.3. Opinion of Special Tax Counsel. The Issuer and the Trustee may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Special Tax Counsel, addressed to each of them, to the effect that the proposed deviation will not adversely affect the exclusion of the Interest Components from gross income for federal income tax purposes. The Issuer and the Trustee will comply with any further or different instructions provided in an Opinion of Special Tax Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Certificates or the exclusion of the Interest Components from gross income for federal income tax purposes.

Section 5.4. Reliance. In delivering this Tax Agreement, the Issuer and the Trustee are making only those certifications, representations and agreements as are specifically attributed to them in this Tax Agreement. Neither the Issuer nor the Trustee is aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Agreement and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The parties to this Tax Agreement understand that their certifications will be relied upon by the law firm of Armstrong Teasdale LLP, in rendering its opinion as to the validity of the Certificates and the exclusion from federal gross income of the Interest Components.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Certificates is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Agreement is binding upon the Issuer and the Trustee and their respective successors and assigns, and inures to the benefit of the parties to this Tax Agreement and the owners of the Certificates. Nothing in this Tax Agreement or in the Indenture or the Certificates, express or implied, gives to any person, other than the parties to this Tax Agreement and their successors and assigns, and the owners of the Certificates, any benefit or any legal or equitable right, remedy or claim under this Tax Agreement.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement may be pursued by the Certificate owners or the other party or parties to this Tax Agreement pursuant to the terms of the Indenture or any other document which references this Tax Agreement and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

Section 5.10. Electronic Transactions. The parties agree that the transaction described in this Tax Agreement may be conducted, and related documents may be stored, by electronic means.

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The parties to this Tax Agreement have caused this Tax Agreement to be duly executed by their duly authorized officers as of the Issue Date.

CITY OF GLADSTONE, MISSOURI

By: _____
Name: Scott Wingerson
Title: City Manager

SECURITY BANK OF KANSAS CITY, as Trustee

By: _____
Title: Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/01/2021	-	-	87,685.09	87,685.09
03/01/2022	545,000.00	5.000%	235,571.88	780,571.88
09/01/2022	-	-	221,946.88	221,946.88
03/01/2023	425,000.00	5.000%	221,946.88	646,946.88
09/01/2023	-	-	211,321.88	211,321.88
03/01/2024	475,000.00	5.000%	211,321.88	686,321.88
09/01/2024	-	-	199,446.88	199,446.88
03/01/2025	490,000.00	5.000%	199,446.88	689,446.88
09/01/2025	-	-	187,196.88	187,196.88
03/01/2026	510,000.00	5.000%	187,196.88	697,196.88
09/01/2026	-	-	174,446.88	174,446.88
03/01/2027	520,000.00	5.000%	174,446.88	694,446.88
09/01/2027	-	-	161,446.88	161,446.88
03/01/2028	535,000.00	5.000%	161,446.88	696,446.88
09/01/2028	-	-	148,071.88	148,071.88
03/01/2029	565,000.00	5.000%	148,071.88	713,071.88
09/01/2029	-	-	133,946.88	133,946.88
03/01/2030	590,000.00	5.000%	133,946.88	723,946.88
09/01/2030	-	-	119,196.88	119,196.88
03/01/2031	620,000.00	5.000%	119,196.88	739,196.88
09/01/2031	-	-	103,696.88	103,696.88
03/01/2032	650,000.00	3.000%	103,696.88	753,696.88
09/01/2032	-	-	93,946.88	93,946.88
03/01/2033	670,000.00	3.000%	93,946.88	763,946.88
09/01/2033	-	-	83,896.88	83,896.88
03/01/2034	725,000.00	2.000%	83,896.88	808,896.88
09/01/2034	-	-	76,646.88	76,646.88
03/01/2035	725,000.00	2.000%	76,646.88	801,646.88
09/01/2035	-	-	69,396.88	69,396.88
03/01/2036	730,000.00	2.000%	69,396.88	799,396.88
09/01/2036	-	-	62,096.88	62,096.88
03/01/2037	745,000.00	2.000%	62,096.88	807,096.88
09/01/2037	-	-	54,646.88	54,646.88
03/01/2038	760,000.00	2.000%	54,646.88	814,646.88
09/01/2038	-	-	47,046.88	47,046.88
03/01/2039	770,000.00	2.000%	47,046.88	817,046.88
09/01/2039	-	-	39,346.88	39,346.88
03/01/2040	730,000.00	2.000%	39,346.88	769,346.88
09/01/2040	-	-	32,046.88	32,046.88
03/01/2041	745,000.00	2.000%	32,046.88	777,046.88
09/01/2041	-	-	24,596.88	24,596.88
03/01/2042	760,000.00	2.125%	24,596.88	784,596.88
09/01/2042	-	-	16,521.88	16,521.88
03/01/2043	770,000.00	2.125%	16,521.88	786,521.88
09/01/2043	-	-	8,340.63	8,340.63
03/01/2044	785,000.00	2.125%	8,340.63	793,340.63
Total	$14,840,000.00	-	$4,861,756.96	$19,701,756.96

Proof of Bond Yield @ 1.7266947%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/24/2021	-	1.0000000x	-	-
09/01/2021	87,685.09	0.9968053x	87,404.96	87,404.96
03/01/2022	780,571.88	0.9882731x	771,418.19	858,823.15
09/01/2022	221,946.88	0.9798139x	217,466.64	1,076,289.79
03/01/2023	646,946.88	0.9714271x	628,461.74	1,704,751.53
09/01/2023	211,321.88	0.9631121x	203,526.66	1,908,278.18
03/01/2024	686,321.88	0.9548683x	655,346.99	2,563,625.18
09/01/2024	199,446.88	0.9466950x	188,815.36	2,752,440.54
03/01/2025	689,446.88	0.9385917x	647,109.12	3,399,549.66
09/01/2025	187,196.88	0.9305578x	174,197.51	3,573,747.17
03/01/2026	697,196.88	0.9225926x	643,228.67	4,216,975.83
09/01/2026	174,446.88	0.9146956x	159,565.79	4,376,541.62
03/01/2027	694,446.88	0.9068662x	629,770.39	5,006,312.01
09/01/2027	161,446.88	0.8991038x	145,157.50	5,151,469.50
03/01/2028	696,446.88	0.8914078x	620,818.21	5,772,287.71
09/01/2028	148,071.88	0.8837778x	130,862.63	5,903,150.34
03/01/2029	713,071.88	0.8762130x	624,802.85	6,527,953.20
09/01/2029	133,946.88	0.8687130x	116,361.39	6,644,314.59
03/01/2030	723,946.88	0.8612772x	623,518.93	7,267,833.52
09/01/2030	119,196.88	0.8539050x	101,782.81	7,369,616.33
03/01/2031	3,509,196.88	0.8465960x	2,970,871.88	10,340,488.21
09/01/2031	69,396.88	0.8393495x	58,248.23	10,398,736.44
03/01/2032	69,396.88	0.8321650x	57,749.65	10,456,486.09
09/01/2032	69,396.88	0.8250420x	57,255.34	10,513,741.42
03/01/2033	69,396.88	0.8179800x	56,765.26	10,570,506.68
09/01/2033	69,396.88	0.8109784x	56,279.37	10,626,786.05
03/01/2034	69,396.88	0.8040368x	55,797.64	10,682,583.69
09/01/2034	69,396.88	0.7971546x	55,320.04	10,737,903.73
03/01/2035	69,396.88	0.7903313x	54,846.52	10,792,750.25
09/01/2035	69,396.88	0.7835664x	54,377.06	10,847,127.31
03/01/2036	799,396.88	0.7768594x	621,018.97	11,468,146.27
09/01/2036	62,096.88	0.7702098x	47,827.62	11,515,973.90
03/01/2037	807,096.88	0.7636171x	616,313.00	12,132,286.90
09/01/2037	54,646.88	0.7570809x	41,372.11	12,173,659.00
03/01/2038	814,646.88	0.7506006x	611,474.44	12,785,133.44
09/01/2038	47,046.88	0.7441758x	35,011.15	12,820,144.59
03/01/2039	817,046.88	0.7378060x	602,822.05	13,422,966.64
09/01/2039	39,346.88	0.7314906x	28,781.87	13,451,748.51
03/01/2040	769,346.88	0.7252294x	557,952.97	14,009,701.48
09/01/2040	32,046.88	0.7190217x	23,042.40	14,032,743.88
03/01/2041	777,046.88	0.7128672x	553,931.25	14,586,675.13
09/01/2041	24,596.88	0.7067654x	17,384.22	14,604,059.35
03/01/2042	784,596.88	0.7007158x	549,779.41	15,153,838.75
09/01/2042	16,521.88	0.6947179x	11,478.04	15,165,316.80
03/01/2043	786,521.88	0.6887715x	541,733.82	15,707,050.61
09/01/2043	8,340.63	0.6828759x	5,695.61	15,712,746.22
03/01/2044	793,340.63	0.6770307x	537,115.99	16,249,862.21
Total	$19,540,556.96	-	$16,249,862.21	-

Derivation Of Target Amount

Par Amount of Bonds	$14,840,000.00
Reoffering Premium or (Discount)	1,409,862.40
Original Issue Proceeds	$16,249,862.40

EXHIBIT B

IRS FORM 8038-G

[To be attached]

August 16, 2021

VIA UPS

Department of the Treasury
Internal Revenue Service Center
1973 Rulon White Boulevard
Ogden, UT 84201

Re: City of Gladstone, Missouri

Dear Sir/Madam:

Enclosed please find the Form 8038-G for filing with the respect to the above-referenced issuer.

We appreciate your time and assistance, and please let us know if you have any questions.

Sincerely,

Rick McConnell

Enclosure

Form **8038-G** (Rev. September 2018)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*
▶ Go to *www.irs.gov/F8038G* for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name
City of Gladstone, Missouri

2 Issuer's employer identification number (EIN)
44-6005624

3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)
Richard C. McConnell, Armstrong Teasdale LLP, Bond Counsel

3b Telephone number of other person shown on 3a
816-221-3420

4 Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
2345 Grand Blvd | 1500

5 Report number *(For IRS Use Only)*
3

6 City, town, or post office, state, and ZIP code
Kansas City, MO 64108

7 Date of issue
06/24/2021

8 Name of issue
Certificates of Participation (Capital Projects), Series 2021A

9 CUSIP number
376609JD6

10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)
Scott Wingerson, City Manager

10b Telephone number of officer or other employee shown on 10a
816-436-2200

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶ Various: new public safety headquarters and improvements to fire station & city hall	18	$ 16,249,862	40
19a	If bonds are TANs or RANs, check only box 19a ▶ ☐			
b	If bonds are BANs, check only box 19b ▶ ☐			
20	If bonds are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	03/01/2044	$ 16,249,862.40	$ 14,840,000.00	12.317 years	1.7266947 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22		
23	Issue price of entire issue (enter amount from line 21, column (b))			23	$ 16,249,862	40
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	$ 349,862 40			
25	Proceeds used for credit enhancement	25				
26	Proceeds allocated to reasonably required reserve or replacement fund	26				
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27				
28	Proceeds used to refund prior taxable bonds. Complete Part V	28				
29	Total (add lines 24 through 28)			29	$ 349,862	40
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	$ 15,900,000	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a		
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY)			
c	Enter the name of the GIC provider ▶			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool bond ▶ (MM/DD/YYYY)

c Enter the EIN of the issuer of the master pool bond ▶

d Enter the name of the issuer of the master pool bond ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☑ and enter the amount of reimbursement ▶ $44,559.97

b Enter the date the official intent was adopted ▶ (MM/DD/YYYY)

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative — Date: 06/24/2021

Scott Wingerson, City Manager
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Jillian Yakominich	Jillian Yakominich	06/24/2021		P02040938

Firm's name ▶ Armstrong Teasdale LLP — Firm's EIN ▶ 43-1274026

Firm's address ▶ 2345 Grand Blvd, Suite 1500, Kansas City, MO 64108 — Phone no. 816-221-3420

EXHIBIT C

REIMBURSEMENT RESOLUTION
EVIDENCE OF OFFICIAL INTENT

[To be attached]

RESOLUTION NO. R-19-34

A RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL TO REIMBURSE CERTAIN CAPITAL EXPENDITURES WITH PROCEEDS OF TAX-EXEMPT FINANCING.

WHEREAS, the City of Gladstone, Missouri (the "City"), is undertaking various capital projects which are anticipated to include police station improvements, fire station improvements, parking, municipal pool improvements, facility improvements at Atkins-Johnson farm, Community Center upgrades, City Hall upgrades, water main improvements, and acquisition of a new ambulance and software (collectively, the "Project"), with the estimated costs of the Project being approximately $20,000,000; and

WHEREAS, the City Council hereby finds and determines that it is necessary and advisable to declare the City's official intent of obtaining tax-exempt financing for the Project and to reimburse the City for costs related to the Project from such financing.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

1. The City has made capital expenditures prior to the date of this Resolution and expects to make capital expenditures after the date of this Resolution in connection with the Project, and the City intends to reimburse itself for such expenditures with the proceeds of tax-exempt financing obtained for the Project to the extent allowed by the Internal Revenue Code.

2. The maximum principal amount of the obligations expected to be issued for the Project is $20,000,000. The obligations may be issued as part of one or more financings. The City may finance part of the Project in connection with the refinancing of other obligations of the City.

3. This Resolution shall be in full force and effect from and after its date of passage and approval.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 22th DAY OF JULY 2019.

Mayor Carol J. Suter

ATTEST:

Ruth E. Bocchino

Ruth E. Bocchino, City Clerk

Request for Council Action

RES ☒# 19-34 BILL ☐# City Clerk Only ORD # City Clerk Only

Date: 7/17/2019 Department: Finance

Meeting Date Requested: 7/22/2019

Public Hearing: Yes ☐ Date: Click here to enter a date.

Subject: Reimbursement Resolution

Background: In consideration of a debt issue later in this fiscal year, staff is recommending the execution of a reimbursement resolution. The Reimbursement Resolution shows the City's intention to issue debt in the future. The Resolution also gives the City the ability to reimburse itself for expenses incurred by the projects or capital purchases listed on the resolution when the funding becomes available. Projects funded by the debt issue are the construction of a Police Station, improvements to Fire Station #2, parking, improvements at the Municipal Pool, City Hall, and Community Center, ambulance, and software. Staff will present projects, timelines, and additional information on the debt issue at the July 22 open study session.

Budget Discussion: Funds are budgeted in the amount of $ from the Fund. Ongoing costs are estimated to be $ annually. Previous years' funding was $

Public/Board/Staff Input: See resolution

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Dominic Accurso
Department Director/Administrator City Attorney City Manager

RCA DUE TO CITY CLERK WEDNESDAY 12:00 PM

EXHIBIT D

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITIES AND THE PROJECT; LIST OF REIMBURSEMENT EXPENDITURES

Proceeds of the Certificates will be used to finance (i) the construction of a new Public Safety Headquarters; (ii) renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall. The Public Safety Headquarters construction and furnishing is projected to cost approximately $12,000,000, the Fire Station improvements approximately $2,800,000 and the City Hall improvements approximately $1,100,000.

List of Reimbursement Expenditures				
PO #	**Vendor**	**Description**	**Amount of Payment**	**Date of Payment**
20-001336	KC Star	RFQ Advertisements	$ 251.04	10/11/19
20-001599	Kansas City Star	RFQ Construction	282.42	11/01/19
20-001559	Clay County Recorder	Record vacating	39.00	12/06/19
20-001757	Future Stories Consultants	Site Selection	4,800.00	12/13/19
20-004526	Kansas City Star	RFP Site Selection	254.84	07/17/20
21-000740	Kansas City Star	RFQ Construction	232.68	09/18/20
21-002753	Stewart Title Co.	Title Report	500.00	03/12/21
21-003164	Seigfried Bingham	Professional Services	2,339.99	04/16/21
21-003180	Stewart Title Co.	Title Report	500.00	04/23/21
21-003586	PSI	Geotechnical Services	6,995.00	05/28/21
21-003813	Police Design Facilities	Site Evaluation	28,365.00	06/18/21

Total Reimbursed Expenditures: **$ 44,559.97**

EXHIBIT E

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt issue ("Certificates") financing Financed Facilities:	Certificates of Participation (Capital Projects), Series 2021A
Name of Issuer:	City of Gladstone, Missouri
Issue Date of Certificates:	June 24, 2021
Description of Financed Facilities:	
Placed in service date of Financed Facilities:	
Name of Compliance Officer:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	Were all the Financed Facilities owned by the Issuer during the entire Annual Period?	☐ Yes ☐ No
	If answer above was "No," was an Opinion of Special Tax Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
2 Leases & Other Rights to Possession	Other than the Lease, during the Annual Period, was any part of the Financed Facilities leased at any time pursuant to a lease or similar agreement for more than 50 days?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the Issuer entered into or renewed any agreement with respect to the management of all or any part of the operations of the Financed Facilities?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into or renewing the management agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
4 Other Use	During the Annual Period, was any other agreement entered into or renewed with an individual or entity that grants special legal rights to the use of the capacity of the Financed Facilities (e.g., an agreement with the U.S. Government or any agency thereof to house federal prisoners)?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into or renewing the agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
5 Arbitrage & Yield Restriction	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	☐ Yes ☐ No
	If No, contact the Rebate Analyst or Special Tax Counsel and incorporate report or include description of resolution in the Tax-Exempt Bond File.	
Item	**Question**	**Response**
6 Continuing Disclosure Filings	Did the Issuer file its annual report (including audited financial statements and any other financial information and operating data required for the Certificates) with the MSRB on EMMA within 210 days following the end of its fiscal year?	☐ Yes ☐ No
	If No, file the appropriate failure to file notice required for the Certificates with the MSRB on EMMA. In addition, contact Special Tax Counsel and file the deficient material with the MSRB on EMMA and include a description of the reason for the delay in the Tax-Exempt Bond File.	

Item	Question	Response
7 Material Event Filings	Did any of the following events occur with respect to the Certificates? • principal and interest payment delinquencies; • non-payment related defaults, if material; • unscheduled draws on debt service reserves reflecting financial difficulties; • unscheduled draws on credit enhancements reflecting financial difficulties; • substitution of credit or liquidity providers, or their failure to perform; • 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 Certificates, or other material events affecting the tax status of the Certificates; • modifications to rights of Certificate holders, if material; • Certificate calls, if material, and tender offers; • defeasances; • release, substitution or sale of property securing repayment of the Certificates, if material; • rating changes; • bankruptcy, insolvency, receivership or similar event of the obligated person; • the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, 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; • appointment of a successor or additional trustee or the change of name of the trustee, if material; • incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect bondholders, if material; and • default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.	☐ Yes ☐ No
	If "Yes," was Special Tax Counsel contacted and notice of the material event filed with the MSRB on EMMA?	☐ Yes ☐ No

	If No, contact Special Tax Counsel immediately and prepare and file any required notice with the MSRB on EMMA.	

***Contact Armstrong Teasdale LLP, Special Tax Counsel, with any questions or concerns regarding this Checklist at (816) 221-3420.**

Compliance Officer: _____

Date Completed: _____

EXHIBIT F

SAMPLE FINAL WRITTEN ALLOCATION

$14,840,000
Certificates of Participation
(Capital Projects)
Series 2021A

Final Written Allocation

The undersigned is the Compliance Officer of City of Gladstone, Missouri (the "Issuer"), and in that capacity is authorized to execute federal income tax returns required to be filed by the Issuer and to make appropriate elections and designations regarding federal income tax matters on behalf of the Issuer. This allocation of the proceeds of the issue referenced above (the "Certificates") is necessary for the Issuer to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Certificate proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the "Code"). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Issuer or, if later, the date the "project" was "placed in service" (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Certificates.

Background. The Certificates were issued on June 24, 2021 (the "Issue Date") under an Indenture of Trust, dated as of June 1, 2021, and in connection with an annually-renewable Lease Purchase Agreement, dated as of June 1, 2021, between the Issuer, as lessee, and the Security Bank of Kansas City, as lessor (the "Lease"). The Certificates were issued in order to provide funds for the acquisition, construction and improvement of certain improvements to various buildings and facilities of the Issuer (collectively, the "Project"). The portion of the proceeds of the Certificates not used to pay the costs of executing and delivering the Lease and the Certificates deposited to the Construction Fund and used to pay a portion of the costs of the Project.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. A portion of the costs of the Project was paid from sale proceeds of the Certificates and the remaining portion of the costs of the Project was paid from earnings from the investment of Certificate sale proceeds or from funds available to the Issuer as shown on **Exhibit A** to this Final Written Allocation.

Identification of Financed Assets. The portions of the Project financed from Certificate proceeds (i.e., the "Financed Facilities" referenced in the Tax Compliance Agreement) are listed on page 1 of **Exhibit B** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the Issuer allocates the proceeds of the Certificates to the various expenditures described in the invoices, requisitions or other substantiation attached as **Exhibit B** to this Final Written Allocation. In each case, the cost requisitioned was either paid directly to a third party or reimbursed to the Issuer for an amount it had previously paid or incurred. Amounts received from the sale of the Certificates and retained as underwriter's discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Certificates.

Placed In Service. The Project was "placed in service" on the date set out on **Exhibit B** to this Final Written Allocation. For this purpose, the assets are considered to be "placed in service" as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The Issuer reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF GLADSTONE, MISSOURI

By: _____
Title: Compliance Officer

Dated: _____

Date of Review: _____

[EXHIBIT A – ALLOCATION OF SOURCES AND USES]

[to be inserted upon completion of the Project]

[EXHIBIT B - IDENTIFICATION OF FINANCED ASSETS &
DETAILED LISTING OF EXPENDITURES]

[to be inserted upon completion of the Project]

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 25, 2021

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

NEW ISSUE
BOOK ENTRY ONLY

S&P RATING: applied for

*In the opinion of Armstrong Teasdale LLP, Special Tax Counsel, under existing law and assuming, among other matters, continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Interest Component of Base Rentals (the "Interest Component") paid by the City under the Lease (defined herein) and distributed to the owners of the Series 2021A Certificates (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Neither the Interest Component nor the Series 2021A Certificates have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "**TAX MATTERS**" in this Official Statement.*

OFFICIAL STATEMENT

$15,430,000*
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Dated: Date of Delivery

Due: March 1, as shown on the inside cover page

The Series 2021A Certificates (as defined herein) represent undivided, proportionate interests in base rentals (the **"Base Rentals"**) to be paid by the City of Gladstone, Missouri (the **"City"**), and are being delivered pursuant to an Indenture of Trust dated as of June 1, 2021 (the **"Indenture"**), executed by Security Bank of Kansas City, Kansas City, Kansas, as trustee (the **"Trustee"**). The Base Rentals are payable by the City under an annually renewable Lease Purchase Agreement dated as of June 1, 2021 (the **"Lease"**) between the City and the Trustee.

The Series 2021A Certificates will be delivered in fully registered form without coupons in the denomination of $5,000 or any integral multiple thereof, and 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 Series 2021A Certificates will be made in book-entry form only. Purchasers of such interests (the **"Beneficial Owners"**) will not receive certificates representing their interests in the Series 2021A Certificates. So long as Cede & Co., as nominee of DTC, is the owner of the Series 2021A Certificates, references herein to the owners or registered owners mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2021A Certificates.

Principal and interest distributable with respect to the Series 2021A Certificates are payable by the Trustee. So long as DTC or its nominee, Cede & Co., is the owner, such payments will be made directly to such owner. Upon receipt of payments of principal and interest, DTC will in turn remit such principal and interest to DTC's participants for subsequent disbursement to the Beneficial Owners of the Series 2021A Certificates. Principal and prepayment premium, if any, will be payable annually on March 1, beginning on March 1, 2022. Interest will be payable semiannually on March 1 and September 1, beginning on September 1, 2021, by check or draft mailed (or by wire transfer in certain circumstances described herein) to the persons who are the registered owners of the Certificates as of the close of business on the 15th day of the month preceding the applicable interest payment date.

The Series 2021A Certificates will be payable solely from the Base Rentals under the Lease and certain money held by the Trustee under the Indenture. See the caption "**SECURITY FOR THE CERTIFICATES**" herein. The City will agree to pay the total Base Rentals due under the Lease for each fiscal year, but only if the governing body of the City annually appropriates sufficient money specifically designated to pay the Base Rentals coming due during each succeeding fiscal year. **The obligation to make payments will not create a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2021A Certificates will not obligate the City to levy any form of taxation therefore or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect.**

The Series 2021A Certificates are subject to prepayment prior to their stated payment dates under certain conditions. See the caption **"THE SERIES 2021A CERTIFICATES — Prepayment Provisions"** herein.

The Series 2021A Certificates are subject to certain risks. Prospective purchasers of the Series 2021A Certificates should be able to evaluate the risks and merits of an investment in the Series 2021A Certificates before considering a purchase of the Series 2007 Certificates. See **"RISK FACTORS AND INVESTMENT CONSIDERATIONS"** herein.

The Series 2021A Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approval of legality by Armstrong Teasdale LLP, Kansas City, Missouri, Special Tax Counsel, and certain other conditions. It is expected that the Series 2021A Certificates will be available for delivery through The Depository Trust Company in New York, New York, on or about June __, 2021.

Bids for the Series 2021A Certificates will be received until 10:00 a.m., CST, on June 10, 2021 as described the Notice of Sale for the Series 2021A Certificates.

The date of this Official Statement is June __, 2021.

* Preliminary, subject to change.

**$15,430,000*
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A**

MATURITY SCHEDULE*

Serial Certificates

Due March 1	Principal Amount	Interest Rate	Yield	Price	CUSIP
2022	$600,000				
2023	$495,000				
2024	$510,000				
2025	$525,000				
2026	$545,000				
2027	$560,000				
2028	$575,000				
2029	$595,000				
2030	$610,000				
2031	$630,000				
2032	$650,000				
2033	$670,000				
2034	$690,000				
2035	$710,000				
2036	$725,000				
2037	$735,000				
2038	$750,000				
2039	$765,000				
2040	$785,000				
2041	$800,000				
2042	$815,000				
2043	$835,000				
2044	$855,000				

* Preliminary, subject to change.

City of Gladstone, Missouri

7010 North Holmes
Gladstone, Missouri 64118
816-436-2200

CITY OFFICIALS

City Council
R.D. Mallams – Mayor
Bill Garnos, Mayor Pro-Tem
Jean Moore
Tom Frisby
Tina Spallo

Administrative Officials
Scott Wingerson – City Manager
Bob Baer – Assistant City Manager
Dominic Accurso – Director of Finance

_____

CERTIFIED PUBLIC ACCOUNTANTS

BT & Co., P.A.
Topeka, Kansas

SPECIAL TAX COUNSEL

Armstrong Teasdale LLP
Kansas City, Missouri

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota & Kansas City, Missouri

UNDERWRITER

[to be determined]

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021A CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2021A CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

The Underwriter and Municipal Advisor have reviewed the information in this Official Statement 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 neither the Underwriter nor the Municipal Advisor guarantee the accuracy or completeness of that information.

No dealer, broker, salesperson or other person has been authorized by the City, the Underwriter, or the Municipal Advisor to give any information or to make any representation with respect to the Series 2021A Certificates offered hereby other than those contained in this Official Statement, 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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2021A Certificates offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter or the Municipal Advisor. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "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. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

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. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "RISK FACTORS" SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

**$15,430,000*
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A**

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

General

The purpose of this Official Statement is to furnish information in connection with the offering and sale of City of Gladstone, Missouri's Certificates of Participation (Capital Projects), Series 2021A, in the aggregate principal amount of $15,430,000* (the **"Series 2021A Certificates"**). The Series 2021A Certificates represent undivided interests in Base Rentals to be paid by the City of Gladstone, Missouri (the **"City"**) pursuant to an annually renewable Lease Purchase Agreement dated as of June 1, 2021 (the **"Lease"**), between Security Bank of Kansas City, Kansas City, Kansas (the **"Trustee"**), as lessor, and the City, as lessee. The Trustee has agreed to execute and deliver the Series 2021A Certificates pursuant to an Indenture of Trust dated as of June 1, 2021 (the **"Indenture"**). The Base Rentals constitute rent for use of the Leased Property pursuant to the Lease.

The City

The City is a third class city and political subdivision organized and existing under the constitution and laws of the State of Missouri.

Plan of Financing

Proceeds from the sale of the Series 2021A Certificates will be used a) to provide for the financing of the costs related to certain capital improvements for the City including, but not limited to, (i) the construction of a new Public Safety Headquarters adjacent to the existing City Hall; (ii) additions to and renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall associated with the construction of the Public Safety Headquarters as well as some additional renovations (such projects shall be collectively referred to herein as the **"Project"**) and b) to pay the costs of issuance of the Series 2021A Certificates. Simultaneously with the delivery of the Series 2021A Certificates, pursuant to a Ground Lease dated as of June 1, 2021 (the **"Ground Lease"**), the City will lease to the Trustee certain real estate (the **"Site"**) together with all improvements now or to be situated thereon (the Site and the improvements located thereon being collectively the **"Leased Property")**. The Leased Property is the site of the City's existing City Hall and, assuming completion of construction, the new Public Safety Headquarters. The Trustee, as lessor under the Lease, will lease the Leased Property to the City for an initial term ending June 30, 2021, with successive one-year renewal options (the **"Renewal Terms"**), with a final Renewal Term ending March 1, 2044. Each Renewal Term is subject to annual appropriation by the City Council.

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* Preliminary, subject to change.

A portion of each Base Rental will be used to pay interest distributable with respect to the Series 2021A Certificates, and a portion of each Base Rental will be used to pay principal and prepayment premium, if any, distributable with respect to the Series 2021A Certificates.

Limited Obligations

Under the Lease, the City has agreed to pay Base Rentals consisting of a principal component and an interest component (collectively, the **"Base Rentals"**) that are distributable with respect to the Series 2021A Certificates, but only if and to the extent that the City annually appropriates sufficient money to pay the Base Rentals coming due during each succeeding Renewal Term.

Neither the Series 2021A Certificates, the Lease nor any payments required under the Lease will constitute a mandatory payment obligation of the City in any year beyond the year during which the City is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the City. The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease is in effect, and there can be no assurance that the City will appropriate funds to make Base Rentals or renew the Lease after the Initial Term or any Renewal Term of the Lease. The City may terminate its obligations under the Lease on an annual basis. The City will have the option to purchase the Trustee's interest in the Leased Property as provided in the Indenture and the Lease.

Neither the Series 2021A Certificates nor the Lease will constitute a debt or liability of the City, the State of Missouri or any political subdivision thereof, nor will they constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease will not obligate the City to levy any form of taxation for the payments required thereunder or to make any appropriation for such payments in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Risk Factors

Payment of the principal and interest distributable with respect to the Series 2021A Certificates is subject to certain risks. See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS."**

Parity Obligations

The Indenture provides for the future delivery of Additional Certificates, if delivered, to be secured on a parity with the Series 2021A Certificates and any other Additional Certificates then Outstanding under the Indenture. The Series 2021A Certificates, together with any Additional Certificates, are collectively the "Certificates." See the caption **"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Additional Certificates"** in ***Appendix C*** hereto.

Continuing Disclosure Information

The City will enter into Continuing Disclosure Agreement with Security Bank of Kansas City as dissemination agent for the benefit of the beneficial owners of the Series 2021A Certificates to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of SEC Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of Continuing Disclosure Agreement is set forth in ***Appendix C***, attached hereto and made a part hereof.

The City believes that it has timely filed required operating and financial data required by previous undertakings since the fiscal year ended June 30, 2016, other than the City did not file notices of defeasances, redemptions and rating changes, if any, which were available from other sources.

A failure by the City to comply with the Continuing Disclosure Agreement will not constitute a default under the respective financing documents, and beneficial owners of the Series 2021A Certificates are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the City to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule, and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021A Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2021A Certificates and their market price.

Definitions and Descriptions; Inspection of Documents

All capitalized terms used in this Official Statement not defined in the text hereof are defined in ***Appendix C*** to this Official Statement. Brief descriptions of the Series 2021A Certificates, the Ground Lease, the Lease, the Indenture and certain other matters are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Ground Lease, the Lease and the Indenture are qualified in their entirety by reference to such documents. All references to the Series 2021A Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ground Lease, the Lease and the Indenture.

THE SERIES 2021A CERTIFICATES

Description

The Series 2021A Certificates are dated the date set forth on the cover page hereof. The principal component of Base Rentals distributable with respect to each Series 2021A Certificate will bear interest at specified rates as set forth on the inside cover page hereof. The interest component of Base Rentals distributable with respect to the Series 2021A Certificates will be payable semiannually on March 1 and September 1 of each year beginning on September 1, 2021 (collectively the **"Payment Dates"**). The principal component of Base Rentals distributable with respect to the Series 2021A Certificates is payable on March 1 of each year in the principal amounts set forth on the inside cover page of this Official Statement.

Interest distributable with respect to the Series 2021A Certificates is payable by (a) check or draft mailed by the Trustee to the person in whose name each Certificate is registered on the 15th day of the month next preceding each Payment Date at such person's address as it appears on the registration books kept by the Trustee under the Indenture (the **"Register"**), or (b) in the case of the payment of interest components to the Securities Depository or any Registered Owner of $500,000 or more in aggregate principal amount of Series 2021A Certificates, by electronic transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner not less than five days prior to the Record Date for such interest components, containing the electronic transfer instructions including 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. Principal distributable with respect to the Certificates is payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee.

Prepayment Provisions*

Optional Prepayment. The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032 and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

Extraordinary Optional Prepayment in the Event of Damage, Destruction or Condemnation. The Series 2021A Certificates are subject to prepayment in whole or in part at any time, at a Prepayment Price equal to 100% of the principal amount to be prepaid, together with accrued interest thereon to the date fixed for prepayment, but without premium, upon instructions from the City in the event that:

(1) title to, or the use for a limited period of, all or a substantial portion of the Leased Property is condemned by any authority having the power of eminent domain (other than the City or an entity controlled by, or affiliated with the City) to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any condemnation awards or sale under threat of condemnation with respect thereto;

(2) title to all or a substantial portion of the Leased Property is found to be deficient or nonexistent to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any title insurance;

(3) all or a substantial portion of the Leased Property is damaged or destroyed by fire or other casualty to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any casualty insurance; or

(4) as a result of changes in the constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Ground Lease, the Lease or the Indenture shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City with respect to the Ground Lease, the Lease or the Indenture.

Partial Prepayment of Certificates. Certificates will be prepaid only in the principal amount of $5,000 each or integral multiples thereof. In the case of a partial prepayment of Certificates when Certificates of denominations greater than $5,000 are then outstanding, each $5,000 of principal amount will be treated as though it were a separate Certificate of the denomination of $5,000.

Selection of Certificates. With respect to any partial prepayment of the Certificates and unless otherwise provided in the Indenture, the particular Certificates to be prepaid will be prepaid in such order of stated payment dates as the City determines and within each stated payment date by such equitable manner as the Trustee determines.

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* Preliminary, subject to change.

Notice of Prepayment. Official notice of any prepayment of Certificates is required to be given by the Trustee by mailing a copy of the notice at least 30 days prior to the prepayment date by first class mail to the Owner of the Certificate or Certificates to be prepaid, at the address shown on the Register on the date the notice is mailed, as more fully described in the Indenture.

Acceleration

If the Lease is terminated upon the occurrence of an Event of Nonappropriation or an Event of Default occurs under the Indenture or the Lease and in either case the terms and conditions of the Indenture are satisfied, the principal component of Base Rentals then due and unpaid during the then current fiscal year with respect to the Certificates will be declared immediately due and payable. If sufficient money is not available to pay in full all interest and principal then due with respect to the Certificates, the Trustee will, after the payment of costs and expenses related to exercising remedies under the Indenture, apply all available money first to the payment of all interest due with respect to the Certificates, *pro rata* if necessary, and second to the payment of the principal due with respect to the Certificates, *pro rata* if necessary. See ***Appendix C*** hereto.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2021A Certificates. The Series 2021A Certificates will be delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2021A Certificates, each in the aggregate principal amount of such maturity.

DTC 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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**.

Purchases of Series 2021A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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. Beneficial Owners are, however, 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 Series 2021A Certificates 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 interests in Series 2021A Certificates, except in the event that use of the book-entry system for the Series 2021A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2021A Certificates deposited by Direct 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 Series 2021A Certificates 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 Series 2021A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Certificates 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.

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. Beneficial Owners of Series 2021A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021A Certificates, such as prepayments, defaults, and proposed amendments to the related documents. For example, Beneficial Owners of Series 2021A Certificates may wish to ascertain that the nominee holding the Series 2021A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2021A Certificates within an issue 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021A Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Series 2021A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal Portions and Interest Portions on the Certificates 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 City or the Trustee, on each payable date 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, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021A Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021A Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021A Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no 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.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Certificates are transferable only upon the Register upon presentation and surrender of the Certificates, together with instructions for transfer. Certificates may be exchanged for other Certificates of any denomination authorized by the Indenture in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Trustee, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

SECURITY FOR THE CERTIFICATES

Limited Obligations; Sources of Payment

Each Certificate evidences the undivided interest of the Owner thereof in the right to receive Base Rentals to be made by the City under the Lease. The Series 2021A Certificates are payable solely out of the Base Rentals and other money and investments held by the Trustee under the Indenture.

The City's obligation to make Base Rentals and other payments under the Lease is subject to annual appropriation by the City and will not constitute a debt or liability of the City, the State of Missouri or any political subdivision thereof, or an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease and the Certificates will not obligate the City to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Under the terms of the Lease, if the City elects to renew the Lease at the end of the Initial Term or any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its general revenues derived from user fees and other sources, which appropriation must be sufficient to make the Base Rentals coming due during the ensuing fiscal year. The City is obligated to make Base Rentals to the Trustee on the 15th of each month preceding each Payment Date, which payments will be distributable as principal and interest with respect to the Certificates (but only if the City elects to renew the Lease for each Renewal Term). **There can be no assurance that the City will appropriate funds for Base Rentals or renew the Lease after the initial term. The City is not legally required to budget or appropriate money for any subsequent fiscal year beyond the current fiscal year.**

Ground Lease

The City will, pursuant to the Ground Lease, lease the Leased Property to the Trustee, as lessee. The Site contained within the Leased Property consists of the existing City Hall and the site on which the Public Safety Headquarters will be located, assuming completion of construction. The insured value of the existing City Hall is $7,367,860, exclusive of contents. The City estimates that the construction costs of the Public Safety Headquarters will be approximately $12,000,000 including allocable design, contingency and issuance costs.

The Ground Lease is for a term ending June 30, 2064. See **"PLAN OF FINANCING"** herein.

If an Event of Default or Event of Nonappropriation occurs under the Indenture or the Lease, the Trustee has the right to possession of the Leased Property (including that portion of the Project and all other improvements now or to be situated on the Leased Property) for the remainder of the term of the Ground Lease, and has the right to assign or sublease its interest in the Ground Lease upon such terms as it deems prudent. The proceeds from such assignment or sublease are required to be paid to the Trustee and applied in accordance with the Indenture. **Owners of the Certificates are cautioned, however, that the nature of the Leased Property may impair the Trustee's ability to assign or sublease it upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount therefor that would be sufficient to pay the principal and interest distributable with respect to all Certificates then outstanding.** See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS — Expiration or Termination of the Lease"** below.

Parity Obligations

Additional Certificates may be delivered without the consent of the Owners of the Certificates to (a) refund the Certificates of any series in a manner which provides present value debt service savings to the City, and (b) fund the costs of completing the Project or for additional projects for the City.

All Additional Certificates will be secured by the lien of the Indenture and will rank on a parity with the Series 2021A Certificates and any Additional Certificates. Unless provided otherwise in a supplement to the Indenture, any Additional Certificates will be in substantially the same form as the Series 2021A Certificates, but will bear such date or dates, bear such interest rate or rates, have such payment date or dates, prepayment dates and prepayment premiums, and be issued at such prices as are approved in writing by the City, subject to the requirements of the Indenture.

THE TRUSTEE

Security Bank of Kansas City, Kansas City, Kansas, a Kansas state banking corporation, will be the Trustee under the Indenture and a party to the Lease and the Ground Lease. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Indenture, the Lease or the Ground Lease by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2021A Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Indenture, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Indenture, the Lease or the Ground Lease is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either express or implied in the Certificates, the Indenture, the Lease or the Ground Lease, all such liability, if any, being expressly waived by the Owners of the Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Certificates. Insofar as the City is concerned, the Trustee and the Owner of any Certificate and any person claiming by,

through or under the Trustee or the Owner of any Certificate may look solely to the Trust Estate described in the Indenture for payment of the interests evidenced by the Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Lease, the Trustee will have a first lien with right of payment prior to payment on account of any principal or interest with respect to the Certificates for such compensation, expenses, disbursements and indemnification.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of the Series 2021A Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2021A Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2021A Certificates are described below.

Limited Obligations

The Series 2021A Certificates represent an interest in the right to receive amounts due under the Lease, which constitute currently budgeted expenditures of the City, payable only if the City appropriates sufficient money to extend the term of the Lease for each successive fiscal year. The Initial Term of the Lease expires on June 30, 2021. The Lease is thereafter subject to successive one-year Renewal Terms commencing on July 1 of each year, and a final renewal term ending March 1, 2044. The City's obligations under the Lease do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Although the City intends to satisfy its obligations to pay Base Rentals out of the revenues generated by its user fees, those revenues are not pledged to the payment of the Certificates.

The City has declared its current intention and expectation that the Lease will be renewed annually until the City exercises its option to acquire the Trustee's interest in the Leased Property. However, such a declaration may not be construed as contractually obligating or otherwise binding the City. Accordingly, the likelihood that the City will renew the Lease for all Renewal Terms and continue to pay the Base Rentals thereunder for distribution by the Trustee with respect to the Series 2021A Certificates is dependent upon certain factors which are beyond the control of the Owners, including (1) the availability of funds from the Series 2021A Certificates or other sources in an amount sufficient to complete the Project, (2) the City's continuing need for the Leased Property, (3) the demographic conditions within the City, (4) the City's ability to generate sufficient funds from user fees and charges and other sources to pay its obligations under the Lease and its other obligations and (5) the value of the Leased Property if assigned or subleased in proceedings instituted by the Trustee if the term of the Lease is terminated as a result of an Event of Default or Event of Nonappropriation.

No Reserve Fund

No debt service reserve fund is being established for the Series 2021A Certificates.

Expiration or Termination of the Lease

The Lease will expire by its terms on June 30 during each year from 2021 through 2044 (with an final term ending March 1, 2044), unless the City in its sole discretion exercises the option provided in the Lease to extend its term for each next succeeding Renewal Term. If the City does not extend in any year the term of the Lease, the City's obligation to make payments will terminate on the June 30 occurring at the end of the Initial Term or the then current Renewal Term. Upon (1) the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs or (2) a default under the Lease and an election by the Trustee to terminate the City's possessory interest under the Lease, the City's right of possession of the Leased Property under the Lease will expire or be terminated, as appropriate. See ***Appendix C*** hereto.

If the City's right of possession of the Leased Property under the Lease expires or is terminated for either of the reasons described in the preceding paragraph, the City's obligation to make payments thereunder will continue through the Initial Term or the Renewal Term then in effect, but not thereafter, and the Series 2021A Certificates will be payable from, among other sources, such money as may be available by way of recovery from the City of the Base Rentals that are due through the Initial Term or the Renewal Term then in effect. If the Lease expires at the end of the Initial Term or a Renewal Term without any extension for the next succeeding Renewal Term or if an event occurs as described above pursuant to which the Trustee terminates the City's right of possession of the Leased Property under the Lease, the Trustee may recover and relet or assign its interest in the Leased Property as provided in the Ground Lease and the Indenture. The net proceeds of any reletting or assignment of the Trustee's interest in the Leased Property, together with certain other money then held by the Trustee under the Indenture, are required to be used to pay the Certificates to the extent of such money.

Due to the nature of the Leased Property, no assurance can be given that the Trustee could relet or assign its interest in the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the principal and interest components of Base Rentals then due with respect to the Certificates. The Leased Property consists of the City's City Hall and, assuming completion of construction, a Public Safety Headquarters, and the number of potential purchasers or lessees may be limited. Furthermore, no assurance can be given that the amount, if any, realized upon any reletting or assignment of the Trustee's interest in the Leased Property will be available to provide for the payment of the Certificates on a timely basis. The insured value of the Leased Property is less than the principal amount of the Certificates.

Delays in Exercising Remedies

A termination of the City's right of possession of the Leased Property under the Lease as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease at the end of the Initial Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to relet or assign its interest in the Leased Property in accordance with the provisions of the Ground Lease and the Indenture. However, the enforceability of the Ground Lease and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by the State of Missouri or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Leased Property is used by the City for the performance of its governmental functions. Due to the governmental use of the Leased Property and the delays inherent in obtaining possession of the Leased Property and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the principal and interest components of Base Rentals with respect to the Certificates. The legal opinions to be delivered with the delivery of the Series 2021A Certificates will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or

similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases. If such money is insufficient to pay all outstanding Certificates in full, the Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of principal and interest components of Base Rentals with respect to the Certificates.

Damage or Destruction of the Leased Property

The Lease requires the Leased Property to be insured as described in ***Appendix C*** hereto. If the Leased Property is damaged or destroyed, the City is nevertheless required to continue to make payments under the Lease, subject to the exercise of its option to extend the term of the Lease for each next succeeding Renewal Term and to the application of Net Proceeds from insurance and certain other sources to repair, restore, modify, improve or replace the affected portion of the Leased Property. If the Net Proceeds from insurance and such other sources are sufficient to repair, restore, modify, improve or replace the affected portion of the Leased Property, such proceeds are to be so applied. If the Net Proceeds are insufficient for such purpose, (1) the City is obligated to commence and thereafter complete the work and pay any cost in excess of such net proceeds, but only from Supplemental Rent appropriated by the City, in order for the affected portion of the Leased Property to be repaired, restored and replaced, (2) if the failure to repair or restore does not materially detract from the value of the Leased Property, such net proceeds may be deposited into the Certificate Payment Fund or (3) the City may apply net proceeds to the payment of all or a portion of the Option Price applicable on the next available Optional Payment Date.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction. See ***Appendix C*** hereto.

Construction Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated construction difficulties and other "force majeure" occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely construction of certain portions of the Project. No assurance can be given that the Project will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the City's decision to continue appropriations and the Trustee's ability to relet the Leased Property.

Effect on Tax-Exemption of Termination of the Lease

Special Tax Counsel is not rendering an opinion with respect to the tax-exempt status of the Interest Component of the Base Rentals distributable to owners of the Series 2021A Certificates subsequent to the termination of the Lease for any reason (including an Event of Default or an Event of Nonappropriation under the Lease). If the Lease is terminated while Series 2021A Certificates are outstanding, there is no assurance that payments made to Series 2021A Certificate owners after such termination with respect to interest will be excluded from gross income of the owners thereof for federal or Missouri income tax purposes.

Amendment of the Indenture, Lease and Ground Lease

Certain amendments to the Indenture, the Lease and the Ground Lease may be made with consent of the owners of not less than a majority in principal amount of the Certificates (including any Additional Certificates which may be hereafter delivered) then outstanding affected by such supplemental indentures or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates.

Other Factors

The City intends to satisfy its obligation to pay Base Rentals under the Lease out of the revenues of the general fund of the City. Purchasers of the Certificates should be aware, however, that such revenues are not pledged to the payment of the Certificates. Additionally, one or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Management*. Changes in key management personnel could affect the capability of the management of the City.

2. *Future Economic Conditions*. Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.

3. *Insurance Claims*. Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial performance.

4. *Environmental Hazards*. The City has covenanted in the Lease to comply with all applicable environmental laws. The City is not aware of any environmental condition at the Leased Property that requires any present remedial action. The discovery of such a condition may adversely affect the City's willingness to renew the Lease after the expiration of the Initial Term or any Renewal Term.

5. *Natural Disasters*. The occurrence of natural disasters, such as floods, droughts or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations of the City.

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as "**COVID-19**"), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, the President of the United States on March 13, 2020, declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State signed an Executive Order declaring a state of emergency in the State in response to COVID-19. On April 24, 2020, the Governor signed another Executive Order extending the state of emergency in the State through June 15, 2020. On June 11, 2020, the Governor signed another Executive Order extending the state of emergency in the State through December 30, 2020. The stated purpose of the Executive Orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary.

On April 3, 2020, the Governor issued a "stay at home order," which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their residences was necessary. On April 27, 2020, the Missouri Department of Health and Senior Services ("**DHS**") issued the "Show Me Strong Recovery Order," which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS issued the "Economic Reopening Order," which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS orders expired on June 16, 2020, and the State is not currently under a statewide public health order. Despite the expiration of statewide orders, the State remains under a "State of Emergency" through August 31,

2021 and cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

On July 19, 2020, Clay County (where the City is located) began requiring face masks and coverings to be worn in all indoor areas of public accommodation. On August 21, 2020, the order was amended to allow schools to open, granting certain exemptions for essential governmental functions as described in the order and providing that youth sports leagues may resume. The order expired on May 14, 2021. According to the County website, as of May 12, 2021, 40% of eligible residents in the County have been vaccinated.

In preparing for the COVID-19 pandemic for Fiscal Year 2020, the City staff expected to receive less than budgeted revenues in sales tax, fines and forfeitures, and charges for services associated with recreation and the Community Center. Sales tax for the fiscal year ending June 30, 2020 increased over 3% from the previous year. Use tax increased over 30% from the previous year ($680,053 in fiscal year 2019 to $950,190 in fiscal year 2020). Revenue shortfalls were mitigated by postponing or canceling events and temporarily closing the Community Center for a portion of the stay at home order. The economic affect to the General Fund was not significant, however the City realized decreases in charges for services and fines and forfeitures. The Community Center's lost revenue is estimated to be $350,000.

In May, 2020, Clay County distributed CARES Act funding to the municipalities of the County to assist with COVID-19 related expenses. The City received $2,519,805 and is allowed to utilize funds for COVID-19 related expenses from March 1, 2020 through December 31, 2020. Qualifying expenses include but are not limited to personal protection equipment (PPE), sanitizing supplies and services, equipment to enable employees to work from home, and salaries and benefits for COVID related work. The City incurred and drew down $1,114,645 in Coronavirus Relief Fund (CRF) related expenses as of June 30, 2020.

The economic effect of the 2021 fiscal year is expected to be similar to the 2020 fiscal year with minimal revenue shortfalls in most funds that can be offset by reductions in expenditures. A loss of $600,000 is expected for the Community Center Fund. In planning the 2021 fiscal year budget, staff was cognizant of the possibility that the COVID-19 virus would continue throughout the year and extend into the future. The City plans to mitigate losses from the pandemic by conservative planning and budgeting and using CRF funding. The City is expected is draw down the remaining $1,405,160 of CRF funds for the 2021 fiscal year. Staff is also working to use funding from the American Rescue Plan Act (ARPA) to recapture lost revenue for periods allowed by the Act.

Encumbrances on Title to Site

The Site is subject to certain encumbrances. The City, in some cases with the assistance of outside legal counsel, has evaluated the encumbrances and does not believe they materially adversely affect title to the Site for its projected use, the City's financial condition or the ability to make Rental Payments under the Lease.

PLAN OF FINANCING

The Project

The Project includes certain capital improvements for the City including (i) the construction of a new Public Safety Headquarters adjacent to the existing City Hall; (ii) additions to and renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall associated with the construction of the Public Safety Headquarters as well as some additional renovation.

The City is currently in the design phase of the Public Safety Headquarters and anticipates that it will include approximately 25,000 square feet, including jail cells, dispatch, office space and related uses for the police and fire functions of the City. The work at Fire Station Number 2 includes construction of an

approximately 1,500 square foot community room, office space, and parking. Work at the existing City Hall will be comprised of general renovation such as carpeting, painting and some reconfiguration of interior space.

Including allocable design, contingency and issuance costs, the Public Safety Headquarters construction and furnishing is projected to cost approximately $12,000,000, the Fire Station improvements approximately $2,800,000 and the City Hall improvements approximately $1,100,000. Final costs will be dependent on design and bidding of the improvements.

Sources and Uses of Funds*

The following table itemizes the estimated sources of funds, including the proceeds from the sale of the Series 2021A Certificates (excluding accrued interest) and how such funds are expected to be used:

Sources of Funds:	
Par Amount of the Series 2021A Certificates	$15,430,000
Net Original Issue Premium	790,351
Total	$16,220,351
Uses of Funds:	
Deposit to Construction Fund	$15,900,000
Costs of Issuance[(1)]	320,351
Total	$16,220,351

(1) Includes underwriters' discount.

FINANCIAL STATEMENTS

The City maintains its financial records on the basis of a fiscal year ending June 30. Set forth in *Appendix B* are the City's audited financial statements for the fiscal year ended June 30, 2020.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Certificates are subject to the approving legal opinion of Armstrong Teasdale LLP, Kansas City, Missouri, Special Tax Counsel. A copy of the proposed form of the approving opinion of Special Tax Counsel is attached hereto as **Exhibit D**.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding the Series 2021A Certificates. 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 (1) discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances; (2) describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws; (3) except for the income tax laws of the State of Missouri, discuss the consequences to an owner under any state, local or foreign tax laws; or (4) deal with the tax treatment of persons who purchase the Series 2021A Certificates 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 Series 2021A Certificates.

* Preliminary, subject to change.

Federal Income Tax Consequences of Owning Series 2021A Certificates

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Certificates in order for the Interest Component of Base Rentals paid by the City under the Lease and distributed to the owners of the Series 2021A Certificates (the "Interest Component") to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements would cause the Interest Component to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Certificates. The City has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of interest of the Interest Components from gross income for federal income tax purposes pursuant to Section 103 of the Code. Special Counsel assumes compliance with these requirements. In addition, the City has made certain representations and certifications in regards to the Series 2021A Certificates and the Lease. Special Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Special Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of the aforementioned representations and certifications of the City, the Interest Component (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax. The City's obligation to pay Base Rentals under the Lease has not been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code. Special Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021A Certificates.

State Taxes

Special Counsel is also of the opinion that, under existing law and assuming that the Interest Component is excluded from gross income for federal income tax purposes, the Interest Component (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excluded from Missouri taxable income for purposes of the personal income tax and corporate income tax imposed by the State of Missouri under Chapter 142 of the Revised Statutes of Missouri. Special Counsel expresses no opinion as to whether the Interest Component is exempt from the taxes imposed by the State of Missouri on financial institutions under Chapter 148 of the Revised Statutes of Missouri.

Original Issue Discount

Special Counsel is also of the opinion that, subject to the conditions set forth above, the original issue discount (as described below) is the selling price of any Series 2021A Certificate sold in the initial offering to the public at a price less than the par amount thereof (hereinafter referred to as the "OID Certificates"), to the extent properly allocable to each owner of such Series 2021A Certificate, is excluded from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Certificate over its issue price. Under Section 1288 of the Code, the issue price of an OID Certificate is generally the first price at which a substantial amount of the Series 2021A Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound basis. For an owner who acquires an OID Certificate in this offering, the amount of original issue discount that accrues during any accrual period generally equals (1) the issue price of that OID Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that OID Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (3) any interest payable on that OID Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that

sale or exchange of such OID Certificate. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Certificate would be treated as gain from the sale or exchange of such OID Certificate. Owners of OID Certificates should consult with their individual tax advisors to determine whether the application of the original issue discount rules and regulations for federal tax purposes require inclusion for state and local income tax purposes of an amount of interest on the OID Certificates as income, even though no corresponding cash interest payment is actually received during the tax year.

Original Issue Premium

The Series 2021A Certificates to be sold in the initial offering at a price greater than the principal amount thereof (hereinafter referred to as the "OIP Certificates") are offered at a price in excess of the principal amount thereof resulting in a yield less than the interest rate for each such maturity as shown on the cover page hereof. Under the Code, the difference between the principal amount of an OIP Certificate and the cost basis of such OIP Certificate to an owner thereof is "bond premium." Under the Code, bond premium is amortized over the term of an OIP Certificate for federal income tax purposes. An owner of an OIP Certificate is required to decrease its basis in such OIP Certificate by the amount of the amortizable bond premium attributable to each taxable year (or portion thereof) it owns the OIP Certificate. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate determined with respect to the yield on an OIP Certificate compounded on each interest payment date. The amortizable bond premium attributable to a tax year is not deductible for federal income tax purposes. Owners of OIP Certificates (including purchasers of OIP Certificates in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of such OIP Certificates and with respect to the state and local consequences of owning and disposing of such OIP Certificates.

Other Federal Tax Matters

Ownership of the Series 2021A Certificates may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit and taxpayers (including banks, thrift institutions, and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021A Certificates.

Interest paid on tax-exempt obligations such as the Lease (the proportionate ownership of which is represented by the Series 2021A Certificates) is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, the Interest Component paid with respect to the Series 2021A Certificates may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Special Counsel is not rendering any opinion as to any federal tax matters other than those described under the caption "Tax Matters." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Certificates, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

THE FOREGOING DISCUSSION IN **"TAX MATTERS"** WAS NOT INTENDED OR WRITTEN BY SPECIAL COUNSEL TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2021A CERTIFICATES. THE FOREGOING DISCUSSION IN "TAX MATTERS" WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2021A CERTIFICATES. EACH PROSPECTIVE PURCHASER OF THE

SERIES 2021A CERTIFICATES SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE PURCHASER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

RATING

The City has applied to S&P Global Ratings ("S&P"), 55 Water Street, New York, New York for a rating on the Series 2021A Certificates. If assigned, such rating reflects only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

There is no assurance that, if assigned, a rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Series 2021A Certificates.

ABSENCE OF LITIGATION

There is not now pending or, to the City's knowledge, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the delivery of this Official Statement or the Series 2021A Certificates or the proceedings or authority under which they are to be delivered. There is no litigation pending or, to the City's knowledge, threatened which in any manner challenges or threatens the City's powers to enter into or carry out the transactions contemplated by the Indenture, the Lease, the Ground Lease and this Official Statement, or which would materially and adversely affect the financial condition of the City.

UNDERWRITING

Based upon bids received by the City on _____ ___, 2021, the Series 2021A Certificates are being awarded to _____, _____, _____ (the **"Underwriter"**). The Series 2021A Certificates are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Series 2021A Certificates at an aggregate purchase price of $_____ (the principal amount of the Series 2021A Certificates less an underwriter's discount of $_____ and plus net original issue premium of $_____), plus accrued interest, if any. The Underwriter is purchasing the Series 2021A Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Series 2021A Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter shall determine. The Underwriter is purchasing the Series 2021A Certificates from the City for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Series 2021A Certificates at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Series 2021A Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2021A Certificates to the public. The Underwriter may offer and sell Series 2021A Certificates to certain dealers (including dealers depositing Series 2021A Certificates into investment trusts) at prices lower than the public offering prices.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Series 2021A Certificates (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the City to provide certain Municipal Advisory services including, among other things,

review of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

BTUS was engaged to conduct the executive recruitment search for the Police Chief of the City within the 24-month period ending on the date of this Official Statement. BTUS received a fee from the City which was separate from the fee that BTMA will receive for its municipal advisory services.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Series 2021A Certificates.

The offer and sale of the Series 2021A Certificates shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Series 2021A Certificates, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CONTINUING DISCLOSURE

The City and Security Bank of Kansas City, as dissemination agent, are entering into a Continuing Disclosure Agreement for the benefit of the owners and Beneficial Owners of the Series 2021A Certificates in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure.

Pursuant to the Continuing Disclosure Agreement, the City will, or will cause the Dissemination Agent to, not later than **210** days after the end of the City's fiscal year, file with the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the City for the prior fiscal year. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of the financial information and operating data contained in the following sections of **Appendix A** of this Official Statement:

SALES TAX INFORMATION CONCERNING THE CITY –
Sales Tax Collections
PROPERTY TAX INFORMATION CONCERNING THE CITY –
Tax Collection Record
Major Property Taxpayers

Pursuant to the Continuing Disclosure Agreement, the City also will give, or cause the Dissemination Agent to give, notice of the occurrence of certain events with respect to the Series 2021A Certificates, if material ("Material Events").

Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Dissemination Agent may amend the Continuing Disclosure Agreement and any provision of the Continuing Disclosure Agreement may be waived, provided Co-Special Tax Counsel or other counsel experienced in federal securities law matters provides the Dissemination Agent with its opinion that the undertaking of the City, 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 the Continuing Disclosure Agreement.

In the event of a failure of the City or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, the Dissemination Agent, the Underwriter or any owner or Beneficial Owner of the Series 2021A Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement will not be deemed an event of default under the Indenture, the Lease or the Series 2021A Certificates, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement will be an action to compel performance.

MISCELLANEOUS

References herein to the Indenture, the Lease, the Ground Lease and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The form of this Official Statement and its distribution and use by the Underwriter has been approved by the City; however, the City has made no warranty or representations regarding either the accuracy or sufficiency of any material contained herein. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the City's financial condition or its ability to make payments required under the Lease and the Indenture.

CITY OF GLADSTONE, MISSOURI

By: _____
City Manager

APPENDIX A

CITY OF GLADSTONE, MISSOURI

APPENDIX A

THE CITY OF GLADSTONE, MISSOURI GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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APPENDIX A

THE CITY OF GLADSTONE, MISSOURI GENERAL, ECONOMIC AND FINANCIAL INFORMATION

GENERAL AND ECONOMIC INFORMATION CONCERNING THE CITY

Note: Much of the economic and financial information in this Appendix A is historical in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See the caption "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Potential Risks Relating to COVID-19" in the Official Statement.

Location and Size

The City is located in the southern part of Clay County and is in the northern part of the Kansas City Metropolitan area.

The City encompasses approximately 9 square miles and has a current estimated population of 27,317.

Government and Organization

The City was incorporated in 1952. It is incorporated as a third-class city under the Missouri statutes utilizing the City Manager form of government. In accordance with these statutes, the registered voters within the City elect five individuals at-large to serve alternating three-year terms as representatives on the City Council. Each year the City Council selects, from amongst themselves, a Mayor and a Mayor Pro Tem. The Council also appoints a City Manager to serve as the chief executive officer of the City.

The elected City officials as of the date of the Official Statement are as follows:

R.D. Mallams	Mayor
Bill Garnos	Mayor Pro-Tem
Jean Moore	Councilmember
Tom Frisby	Councilmember
Tina Spallo	Councilmember

Among the appointed officials of the City are the following:

Scott Wingerson	City Manager
Bob Baer	Assistant City Manager
Chris Williams	City Attorney
Dominic Accurso	Finance Director
Ruth Bocchino	City Clerk

Municipal Services and Utilities

Utility service in the City is mixed between public and private companies. Water and sewage utilities are provided by the Combined Waterworks and Sewerage System (the "System") of the City. This System has the responsibility of providing water and sewerage service to the City. Water and sewerage rates are established to meet the total revenue requirements of the System. The City also provides law enforcement, fire protection, paramedic services, community enrichment and development and various social services. Natural gas is supplied by Spire Inc. Electricity is supplied by Evergy.

Transportation and Communication Facilities

The City is ringed by U.S. Highway 169 on the western boundary, Missouri Highway 152 north of the City, Interstate 435 on the eastern boundary of the City and U.S. Highway 69 south of the City. These highways connect with Interstate Highways 29, 35, 435 and 635 and thereby give the City good access to the entire metropolitan Kansas City area. The City is approximately 10 miles from the Kansas City International Airport and approximately 8 miles from downtown Kansas City.

Telephone service in the area is supplied by AT&T and major cellular telephone providers.

The City is served by one daily newspaper, *The Kansas City Star*.

The four major commercial television networks, as well as public television and cable television, serve the City, and a number of AM and FM stations broadcast throughout the area.

Educational Institutions and Facilities

North Kansas City School District, the third largest school district in Missouri, serves the Gladstone community and has earned state and national accreditation. North Kansas City School District is comprised of 22 elementary schools, two sixth grade centers, four middle schools and four high schools. The District also offers optional pre-kindergarten and before/after school programs, gifted/honors programs, career and professional academies and adult and community education programs. The total enrollment of the District is 21,179. Oakhill Day School, located within the City limits, is a private, non-parochial independent day school with 365 students from 18 months through 8th grade. Northland Catholic Schools offers six schools in close proximity to the City serving students from pre-kindergarten through middle school. Maple Woods Community College is located just outside the City limits, and has an annual enrollment of more than 5,400. Northwest Missouri State University opened a Kansas City Campus at the Innovation Center in Gladstone. Annual enrollment of the university is about 100 students. The Mid-Continent Public Library has a branch location in Gladstone and the residents of the City have easy access to the Kansas City Metropolitan area's numerous colleges and universities, technical institutes and seminaries.

Medical and Health Facilities

The three-county hospital service area in which Gladstone is located is served by numerous hospitals and physicians. North Kansas City Hospital is located six miles to the south of the City's limits and is a 451 licensed-bed, 3,000 employee acute care facility located at I-35 and Armour Road East. St. Luke's North, located five miles west of the City at the intersection of I-29 and Barry Road, is a 95-bed acute care facility offering more than 20 specialized health care services. Both hospitals provide a variety of medical services and community resources for the Kansas City area.

Recreational, Cultural and Religious Facilities

The City has 14 public parks covering 271 acres of park land, an outdoor amphitheater, 8 playgrounds, 7 tennis courts, 8 softball facilities, 11 soccer fields, 18 hole disk golf course, a municipal swimming pool and a community center with indoor competitive and recreation pools. The City offers many different recreational programs throughout the year ranging from basketball, soccer, tennis and aerobics to summer Theater in the Park. The City also hosts a number of special events including a fall festival (Gladfest) and a summer blues festival.

Smithville Lake is in a county recreational park near the City and offers numerous activities such as boating, fishing, skiing and swimming. Worlds of Fun amusement park, Oceans of Fun water park, Hodge Park, Line Creek Park and Archaeological Preserve and the Missouri River are also within easy access to City residents.

Other cultural and recreational activities are in the Kansas City metropolitan area and therefore within minutes of the City. The Harry S Truman Sports Complex is home to the Kansas City Royals professional baseball team and the Kansas City Chiefs professional football team and Kemper Arena is home to a variety of activities.

Sprint Center is host to concerts, family shows, special events as well as professional, collegiate and amateur sporting events. There are various bowling, skating, golfing and movie facilities available in the community.

There are numerous churches located within the City.

Commerce and Industry

The concentration of employment and businesses in the City are in the Service and Retail Trade industries.

New additions to the downtown landscape include two new restaurants and entrepreneurial workspaces. In December of 2018, Summit Grill opened in the retail space of the Heights at Linden Square. The Gladstone location is the company's newest and largest establishment. Stone Canyon Pizza relocated from Zona Rosa to downtown Gladstone in July of 2019. iWerx and DesignWerx are entrepreneurial development centers offering private office space and a collaborative environment for entrepreneurs and contractors. iWerx has completed their renovation on a 30,000 square foot, 40 year old downtown building during the 2019 fiscal year. One of the newest projects in the downtown district is the groundbreaking on a Fairfield Inn & Suites by Marriot. The 67,000 square foot 110 room hotel is scheduled to open in 2021 giving visitors a place to stay while in the area.

Employment

Since the City is located in the northern portion of the Kansas City, Missouri metropolitan area, employment opportunities for residents of the City are available both in the City and throughout the Kansas City metropolitan area.

Listed below are the top ten employers located in the City:

Employer	Type of Business	Number of Employees
Hy-Vee	Grocery Store	372
Walmart	Retail	339
North Kansas City School District	Public Education	284
Par Electrical Contractors	Electrical Contractor	200
City of Gladstone	Government	193
Van Chevrolet	Automobile Dealership	160
The Home Depot	Home Improvement Store	150
Gladstone Dodge	Automobile Dealership	114
McDonalds	Restaurant	114
Northtowne Hyundai	Automobile Dealership	103

Source: City of Gladstone, Missouri, 2020 Financial Report

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

Employer	Type of Business	Number of Employees
Federal Government	Government	20,846
Children's Mercy Hospital	Healthcare	8,382
Cerner Corporation	Healthcare IT solutions	6,879
Honeywell	Manufacturaing	5,000
St. Lukes Health System	Healthcare	4,638
Internal Revenue Service	Government	4,600
City of Kansas City	Government	4,411
Truman Medical Ctrs.	Heathcare	3,579
SS&C	Healthcare and Insurance	3,125
Burns & McDonnell	Engineering/Architects	2,907

Source: Kansas City Economic Development Council

The following table sets forth unemployment figures for the last five years for the City, Clay County and the State of Missouri.

	2016	2017	2018	2019	2020
City					
Total Labor Force	14,998	14,663	14,652	14,695	14,684
Unemployed	653	585	462	490	1,019
Unemployment Rate	4.4%	4.0%	3.2%	3.3%	6.9%
Clay County					
Total Labor Force	134,971	134,872	134,903	137,176	136,568
Unemployed	5,229	4,885	3,904	3,915	8,374
Unemployment Rate	3.9%	3.6%	2.9%	2.9%	6.1%
State of Missouri					
Total Labor Force	3,072,904	3,057,460	3,051,194	2,978,046	3,052,700
Unemployed	139,447	115,269	98,179	100,885	185,538
Unemployment Rate	4.5%	3.8%	3.2%	3.3%	6.1%

Source: (MERIC) Missouri Economic Research and Information Center. Not seasonally adjusted.

Financial and Banking Institutions

There are numerous financial institutions and credit unions located within the City.

Housing

The following table sets forth the owner/renter occupancy percentages in the City:

Total Units	12,109
Owner Occupied	7,083
Renter Occupied	4,047
Vacant	979
Total Occupied Units	11,130
% of Owner Occupied Units	63.6%
% of Renter Occupied Units	36.4%

Source: U.S. Census Bureau, 2018 American Community Survey

Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over a five-year period. These numbers reflect permits issued for new construction.

	Commercial Construction[1]		Residential Construction[1]	
Fiscal Year Ended	Number of Units	Value	Number of Units	Value
2020	3	$11,637,000	8	$1,365,500
2019	2	800,400	5	1,406,867
2018	1	342,421	30	3,002,931
2017	6	3,186,688	22	2,733,932
2016	2	1,580,673	36	3,680,018
2015	4	22,331,992	29	3,680,018

General Demographic Statistics

The following table shows the population of the City according to the U.S. Census for each of such years.

Year	Population
1960	14,502
1970	23,817
1980	25,127
1990	26,243
2000	26,365
2010	25,410
2019*	27,489

*Estimated

DEBT STRUCTURE OF THE CITY

Current Long-Term General Obligation and Revenue Bond Indebtedness

In December 2010, the City issued its Taxable General Obligation Street Improvement Bonds (Build America Recovery Zone Economic Development Bonds – Direct Pay), Series 2010 in the principal amount of $2,000,000 for the purpose of constructing street improvements, which are outstanding as of June 30, 2020 in the amount of $600,000.

In December 2010, the City issued its Taxable Combined Water and Sewerage System Revenue Bonds (Build America Recovery Zone Economic Development Bonds), Series 2010 in the principal amount of $5,725,000 for the purpose of improving and extending the existing municipal water and wastewater system, which are outstanding as of June 30, 2020, in the amount of $1,725,000.

[1] Based on building permits issued by the City; property values are estimates provided at time of permit issuance

Lease Obligations

Certificates of Participation.

In 2015, the City issued $23,510,000 in Certificates of Participation with a final maturity of June 1, 2031 (the "Series 2015 Certificates") to (a) fund improvements to the extent proceeds are available including (i) improvements at Hobby Hill Park, including new access from Broadway Avenue, two shelters, restrooms, generational play structures, sled hill, wetland development, .25 mile paved trail around wetlands, clearing of primitive trails, and installation of drive lanes, parking and lighting (collectively, the "Hobby Hill Park Improvements"), (ii) improvements to the City's outdoor pool, and (iii) construction of a senior center, (b) prepay $20,540,000 outstanding principal amount of Certificates of Participation, Series 2006-A evidencing a proportionate interest in Basic Rent Payments to be made by the City of Gladstone, Missouri pursuant to an annually renewable Lease Purchase Agreement (the "Series 2006- A Certificates"), which were used to, among other things, (i) acquire, construct, furnish, equip and install a new community recreation center/natatorium, improvements to an existing outdoor swimming pool, improvements to City streets in the vicinity of the new community recreation center/natatorium and a computer aided dispatch system for the City's public safety department and (ii) refund a prior series of certificates of participation that were used to, among other things, provide funds to acquire, construct, furnish, equip and install improvements to the City Hall and storm water improvements, and (c) pay certain expenses related to the delivery of the Series 2015 Certificates. As of June 30, 2020, the Series 2015 Certificates are outstanding in the amount of $18,190,000.

In 2011, the City issued $7,740,000 in Certificates of Participation with a final maturity of June 1, 2023 (the "Series 2011 Certificates") in order to provide for costs related to certain improvements to City facilities. The Series 2011 Certificates are outstanding as of June 30, 2020, in the amount of $2,075,000.

In 2020, the City issued $7,450,000 of Certificates of Participation, Series 2020A in order to provide for costs related to acquisition of equipment and certain improvements to City facilities. The Series 2020A Certificates are outstanding as of the date hereof in the amount of $6,485,000.

Capital Leases.

The City acquired nine pieces of equipment for governmental activities and two pieces of equipment for business-type activities under a capital lease. To account for the governmental activities portion of the financing lease, the City charges payments made during the fiscal period as debt service in the governmental fund financial statements. In the year that the assets are acquired, the City records the present value of future lease payments as a capital outlay expenditure and as an offsetting other-financing source in the governmental fund financial statements. The present value of payments due in the future periods is shown as a liability, and the gross amount of $ 639,116 is recorded as a capital asset, net of accumulated depreciation of $ 388,457 in the governmental activities column of the government-wide financial statements. For business-type activities, the gross amount of $478,531 is recorded as a capital asset, net of accumulated depreciation of $ 240,441 in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements. Land acquired by capital leases in the amount of $ 1,817,375 is recorded as a capital asset in the governmental activities column of the government-wide financial statements.

In 2018, the City entered into a master equipment lease purchase agreement in the amount of $7,132,000 to fund park improvements, energy savings improvements and public works improvements. As of June 30, 2020, the City has expended $4,058,846 on the energy savings project, $200,942 on park improvements and $1,041,519 on public works improvements. These assets are recorded in construction in progress.

In 2018, the City entered into a second master equipment lease purchase agreement in the amount of $3,988,000 that refunded the Series 2011 Certificates of Participation, a portion of the proceeds of which were used to finance certain equipment. The City will purchase this refinanced equipment through the new capital lease. The refinanced equipment consists of an emergency services radio system and fire truck. Refinanced equipment in the

amount of $2,068,725 is recorded as a capital asset, net of accumulated depreciation of $1,861,852 in the governmental activities column of the government-wide financial statements.

In 2019, the City entered into a third master equipment lease purchase agreement in the amount of $1,000,000 to finance certain equipment and software consisting of an ambulance, public administration software, and CAD/RMS software. Equipment in the amount of $247,797 is recorded as a capital asset, net of accumulated depreciation of $10,325 in the governmental activities column of the government-wide financial statements. Software in the amount of $488,165 was expensed in the current year.

As of June 30, 2020, the minimum obligations under the capital lease agreement are included in the government-wide financial statements of the annual debt service requirements as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2021	$ 1,643,074	$ 136,263
2022	1,671,516	137,305
2023	1,525,983	72,220
2024	1,253,607	68,201
2025	1,257,182	341,087
2026 - 2030	6,170,515	260,580
2031 - 2035	2,809,289	83,747
2036 - 2040	496,079	-
Less: interest	(3,113,772)	(199,817)
Total	$ 13,713,473	$ 899,586

DNR Loan Payable. The City entered into a loan agreement with the Missouri Department of Natural Resources in the amount of $1,092,693 at an interest rate of 4.0% to finance building improvements at the Community Center. The agreement requires semi-annual payments of $47,038 until August 1, 2023, which includes interest.

Bank Loans Payable. The City has two notes for the purpose of funding various capital improvement projects. One loan had a June 30, 2020 balance of $1,055,000 and matures on June 30, 2023 and bears a rate of 3.0%. The other loan is due June 5, 2021, had a June 30, 2020 balance of $266,377, and bears interest at 2.75%.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness (including both general obligation and lease-backed debt) of political subdivisions with boundaries overlapping the City as of June 30, 2020, and the percent attributable (on the basis of assessed valuation) to the City:

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to the City
Clay County	$ 7,113,033	12.31%	$ 875,614
North Kansas City School District #74	301,309,999	17.59	53,000,429

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the City may incur indebtedness for authorized "city purposes" not to exceed 20% of the valuation of taxable tangible property in the City according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the City voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date. Based on the assessed valuation of the City according to Clay County, Missouri, as of August, 2020, the current legal debt limit of the City is $80,046,000. The City has $600,000 of general obligation bonds outstanding as of June 30, 2020, leaving a remaining debt limit of $79,446,000.

Other Long-Term Obligations of the City

Revenue Bonds. In December 2010, the City issued its Taxable Combined Waterworks and Sewerage System Revenue Bonds (Build America Recovery Zone Economic Development Bonds – Direct Pay), Series 2010A in the principal amount of $5,000,000 for the purpose of constructing certain capital improvements to the water portion of the system, which has a current principal amount outstanding of $4,325,000.

Redevelopment Agreement. The City entered into a Redevelopment Agreement with a developer to provide reimbursements for certain site and public improvement costs incurred by the developer for the project. Such site and public improvement costs eligible for reimbursement, subject to certain performance thresholds, totaled $1,400,000. Under the agreement, the City will reimburse the developer up to 75% of the incremental sales taxes increase in years one through three and 50% of the incremental sales taxes increase in years four through fifteen, through fiscal year 2016. In addition, the agreement requires interest to be accrued on outstanding unreimbursed amounts at an annual interest rate of 7.5%. The City is not obligated to reimburse the developer if the incremental sales and property taxes are insufficient to do so.

Future Capital Needs

The City does not as of the date of the Official Statement have any other plans for additional financing for capital improvements during the next two years. The City will continue to evaluate possible opportunities for savings through the issuance of refunding obligations.

FINANCIAL INFORMATION CONCERNING THE CITY

General Description of Financial Practices and Recent Results of Operations

Accounting, Budgeting and Auditing Procedures. The various departments of the City submit their proposed budgets to the City Manager who presents the same to the City Council for approval by July 1 of each year.

The City has for a number of consecutive years received the following two awards for its financial records from the Government Finance Officers Association: Certificate of Achievement for Excellence in Financial Reporting every year since 1977 and Distinguished Budget Presentation Award every year since 1985.

The City follows a modified accrual basis system of accounting for all governmental and agency funds. The accrual basis system of accounting is followed for proprietary funds.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming fiscal year under the direction of the City Manager which is presented to the City Council in June for approval after a public hearing. The City's fiscal year is July 1 through June 30. The budget lists estimated receipts by fund and sources and estimated disbursements by fund and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from City taxes.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The annual audit for the fiscal year ending June 30, 2020 was performed by BT & Co., P.A., Topeka, Kansas. Copies of the audit reports are on file in the Finance Department and are available for review. Attached as *Appendix B* to this Official Statement is the Independent Auditor's Report and General Purpose Financial Statements for the City for the fiscal year ended June 30, 2020.

Risk Management. The City is a member of the Midwest Public Risk of Missouri (MPR), a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool operating as a common risk management and insurance program to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. Losses have not been in excess of premiums in any of the past three fiscal years for the workers' compensation, property and casualty programs.

Employee Relations

The City has a total of 188 full-time personnel in the classified and unclassified service. The Classification Plan provides a grouping by class of all those positions in the City service which are sufficiently alike in duties and responsibilities to be called the same descriptive title, to be accorded the same pay range and require substantially the same qualifications. All employees are compensated in accordance with the rates set for the salary grade to which the position of their class is assigned by ordinance.

The City's firefighters are represented by the International Association of Fire Fighters, Local 3228. The IAFF currently represents 31 of the 39 fire members.

The City has 50 commissioned law enforcement officers. The Fraternal Order of Police, Regional Lodge 50 represents 39 of the 50 officers. The City recognizes two law enforcement groups within this structure: the police officers and corporals unit and the sergeants unit.

Financial Statements

Attached hereto as *Appendix B* is the Independent Auditor's Report and the General Purpose Financial Statements for the City for the fiscal year ended June 30, 2020.

SALES TAX INFORMATION CONCERNING THE CITY

Sales Taxes

The City collects six sales taxes that aggregate 3.0%, all of which were approved by the voters. Beginning in 1972, the City began collecting a 1% sales tax, the receipts of which are used for general operating purposes. Collection of a 0.5% capital improvement sales tax commenced in April 1988. The City began collecting a 0.5% transportation sales tax in April 1996, the receipts of which are used for transportation improvements, including street improvements. The City instituted a 0.25% Park Sales Tax effective July 1, 2006. The City began collecting a 0.25% public safety sales tax effective October 1, 2010.

In April, 2019, the voters of the City approved imposition of an additional 1/2% general sales tax to fund a compensation plan for front line employees, construction for an addition to City Hall for Public Safety, and the remodel of Fire Station #2. The City anticipates that a portion of the Series 2021A Certificates will be repaid from this tax, subject to annual appropriation by the City Council. The collection of this tax did not commence until Fiscal Year 2020.

The City's sales taxes do not have sunset provisions.

Sales Tax Collections

The following table sets forth the sales taxes collected by the City for the fiscal years noted.

Fiscal Year Ended June 30	1% General Operating	.5% Public Safety	0.5% Capital Improvement	0.5% Transportation Improvement	.025% Public Safety	.025% Parks & Stormwater
2020	$3,830,008	$822,054	$1,784,950	$1,784,950	$892,304	$892,469
2019	3,715,035	-	1,740,935	1,740,935	870,443	870,465
2018	3,678,142	-	1,679,756	1,679,756	839,854	839,877
2017	3,790,940	-	1,736,998	1,737,007	868,416	868,533
2016	3,640,830	-	1,701,542	1,701,543	850,576	850,769

PROPERTY TAX INFORMATION CONCERNING THE CITY

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed annually by the County Assessor of Clay County. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City as of August, 2020 (per Clay County, Missouri):

	Assessed Valuation	Assessment Rate	Estimated Actual Valuation
Real Estate			
Commercial	$ 269,432,490	32.00%	$ 841,976,531
Agricultural	$ 30,020	12.00%	$ 250,167
Residential	$ 55,524,270	19.00%	$ 292,233,000
Total Real Estate	$ 324,986,780		$ 1,134,459,698
Personal Property	$ 60,034,927	33.33%	$ 180,122,793
Supplemental Personal			
Added Individual Personal			
Business Personal			
Supplemental Business Personal			
Added Business Personal			
Railroad & Utility (Local Real)	$ 172,270	32.00%	$ 538,344
(Local Personal)	$ 137,341	33.33%	$ 412,064
Railroad & Utility (State Real)	$ 12,942,593	32.00%	$ 40,445,603
(State Personal)	$ 1,956,090	33.33%	$ 5,868,857
Total Current Valuation	$ 400,230,001		$ 1,361,847,359

Source: Clay County Clerk

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City according to the assessments of January 1 in each of the following years, has been as follows:

Year	Assessed Valuation	Percentage Change
2020	$398,904,000	8.40%
2019	367,838,000	(0.06)
2018	368,042,000	5.80
2017	347,860,000	(0.74)
2016	350,468,000	3.01

Property Tax Levies and Collections

Tax Collection Procedures. Property taxes are levied and collected by Clay County, Missouri, and then remitted to the City.

The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk.

An amendment to the Missouri Constitution commonly known as the Hancock Amendment approved in 1980 places limitations on total state revenues and the levying or increasing of taxes without voter approval. The operating levy (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1984 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds, if any, is exempt from the calculations of and limitations upon the tax rate ceiling.

The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

Taxes are due by December 31 and become delinquent if not paid to the City Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of fourteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year. Because of the tax collection procedure described above, the City receives the bulk of its money from local property taxes in the months of December, January and February.

Tax Rates

Operating Levy. The current operating levy of the City is $0.9290 per $100 of assessed valuation. The operating levy does not require annual voter approval but the City Council cannot raise the rate above that approved in the last election.

Debt Service Levy. The City's current debt service levy is $0.00 per $100 of assessed valuation. Once indebtedness has been approved by the required majority of the voters voting therefor and bonds are issued, the City has the power at any time under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Tax Collection Record

The following table sets forth tax collection information for the City for the years noted.

Fiscal year Ended June 30	Total Levy	Total Taxes Levied	Current Taxes Collected Amount	Current Taxes Collected %	Current & Delinquent Taxes Collected Amount	Current & Delinquent Taxes Collected %
2020	$0.9290	$3,490,000	$3,279,294	93.96%	$3,279,294	93.96%
2019	0.9290	3,416,601	3,348,876	98.02	3,391,187	99.26
2018	0.9290	3,418,503	3,285,320	96.10	3,347,312	97.92
2017	0.9290	3,231,619	3,114,848	96.39	3,188,905	98.68
2016	0.9290	3,241,997	3,125,385	96.40	3,204,027	98.83

Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City as of June 30, 2020:

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation[1]
1. Wal-Mart Real Estate	Retail	$2,649,000	0.72%
2. CCRC of Gladstone, LLC	Apartments	2,467,000	0.67
3. Gladstone Investors, LLC	Retail	2,090,000	0.57
4. Gladstone Meadows	Apartments	1,540,000	0.42
5. Intercontinental Investment Co.	Apartments	1,456,000	0.40
6. ECG-Kansas City-III, LLC	Apartments	1,291,000	0.35
7. Curry Investment Company	Apartments	1,255,000	0.34
8. Gladstone Senior Partners, LP	Apartments	1,227,000	0.33
9. Axiom	Apartments	1,120,000	0.30
10. Meadowbrook Village	Retail	1,056,000	0.29
		$16,151,000	4.39%

Source: City of Gladstone 2020 Annual Budget

[1] Does not include railroad and utilities.

APPENDIX B

INDEPENDENT AUDITOR'S REPORT

AND

THE CITY'S AUDITED FINANCIAL STATEMENTS

APPENDIX C

FORMS OF THE DOCUMENTS

APPENDIX D

FORM OF APPROVING OPINION OF SPECIAL TAX COUNSEL

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

NEW ISSUE **S&P RATING: AA-**
BOOK ENTRY ONLY

*In the opinion of Armstrong Teasdale LLP, Special Tax Counsel, under existing law and assuming, among other matters, continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Interest Component of Base Rentals (the "Interest Component") paid by the City under the Lease (defined herein) and distributed to the owners of the Series 2021A Certificates (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Neither the Interest Component nor the Series 2021A Certificates have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "**TAX MATTERS**" in this Official Statement.*

OFFICIAL STATEMENT

$14,840,000
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Dated: Date of Delivery **Due: March 1, as shown on the inside cover page**

The Series 2021A Certificates (as defined herein) represent undivided, proportionate interests in base rentals (the **"Base Rentals"**) to be paid by the City of Gladstone, Missouri (the **"City"**), and are being delivered pursuant to an Indenture of Trust dated as of June 1, 2021 (the **"Indenture"**), executed by Security Bank of Kansas City, Kansas City, Kansas, as trustee (the **"Trustee"**). The Base Rentals are payable by the City under an annually renewable Lease Purchase Agreement dated as of June 1, 2021 (the **"Lease"**) between the City and the Trustee.

The Series 2021A Certificates will be delivered in fully registered form without coupons in the denomination of $5,000 or any integral multiple thereof, and 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 Series 2021A Certificates will be made in book-entry form only. Purchasers of such interests (the **"Beneficial Owners"**) will not receive certificates representing their interests in the Series 2021A Certificates. So long as Cede & Co., as nominee of DTC, is the owner of the Series 2021A Certificates, references herein to the owners or registered owners mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2021A Certificates.

Principal and interest distributable with respect to the Series 2021A Certificates are payable by the Trustee. So long as DTC or its nominee, Cede & Co., is the owner, such payments will be made directly to such owner. Upon receipt of payments of principal and interest, DTC will in turn remit such principal and interest to DTC's participants for subsequent disbursement to the Beneficial Owners of the Series 2021A Certificates. Principal and prepayment premium, if any, will be payable annually on March 1, beginning on March 1, 2022. Interest will be payable semiannually on March 1 and September 1, beginning on September 1, 2021, by check or draft mailed (or by wire transfer in certain circumstances described herein) to the persons who are the registered owners of the Certificates as of the close of business on the 15th day of the month preceding the applicable interest payment date.

The Series 2021A Certificates will be payable solely from the Base Rentals under the Lease and certain money held by the Trustee under the Indenture. See the caption "**SECURITY FOR THE CERTIFICATES**" herein. The City will agree to pay the total Base Rentals due under the Lease for each fiscal year, but only if the governing body of the City annually appropriates sufficient money specifically designated to pay the Base Rentals coming due during each succeeding fiscal year. **The obligation to make payments will not create a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2021A Certificates will not obligate the City to levy any form of taxation therefore or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect.**

The Series 2021A Certificates are subject to prepayment prior to their stated payment dates under certain conditions. See the caption **"THE SERIES 2021A CERTIFICATES — Prepayment Provisions"** herein.

The Series 2021A Certificates are subject to certain risks. Prospective purchasers of the Series 2021A Certificates should be able to evaluate the risks and merits of an investment in the Series 2021A Certificates before considering a purchase of the Series 2021A Certificates. See **"RISK FACTORS AND INVESTMENT CONSIDERATIONS"** herein.

Baird

The Series 2021A Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approval of legality by Armstrong Teasdale LLP, Kansas City, Missouri, Special Tax Counsel, and certain other conditions. It is expected that the Series 2021A Certificates will be available for delivery through The Depository Trust Company in New York, New York, on or about June 24, 2021.

The date of this Official Statement is June 10, 2021.

$14,840,000
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

MATURITY SCHEDULE

Serial Certificates

Due March 1	Principal Amount	Interest Rate	Yield	Price	CUSIP
2022	$545,000	5.000%	0.150%	103.324%	376609HF3
2023	$425,000	5.000%	0.200%	108.075%	376609HG1
2024	$475,000	5.000%	0.250%	112.708%	376609HH9
2025	$490,000	5.000%	0.350%	117.015%	376609HJ5
2026	$510,000	5.000%	0.500%	120.815%	376609HK2
2027	$520,000	5.000%	0.600%	124.559%	376609HL0
2028	$535,000	5.000%	0.750%	127.663%	376609HM8
2029	$565,000	5.000%	0.900%	130.380%	376609HN6
2030	$590,000	5.000%	1.000%	133.197%	376609HP1
2031	$620,000	5.000%	1.100%	135.738%	376609HQ9
2032	$650,000	3.000%	1.200%	116.412%[C]	376609HR7
2033	$670,000	3.000%	1.250%	115.916%[C]	376609HS5
2034	$725,000	2.000%	1.600%	103.575%[C]	376609HT3
2035	$725,000	2.000%	1.700%	102.667%[C]	376609HU0
2036	$730,000	2.000%	1.800%	101.769%[C]	376609HV8
2037	$745,000	2.000%	1.850%	101.323%	376609HW6
2040	$730,000	2.000%	2.050%	99.225%	376609HZ9
2041	$745,000	2.000%	2.100%	98.393%	376609JA2
2042	$760,000	2.125%	2.150%	99.582%	376609JB0
2043	$770,000	2.125%	2.180%	99.052%	376609JC8
2044	$785,000	2.125%	2.200%	98.664%	376609JD6

[C] Priced to call date

Term Certificates

Due March 1:	Principal Amount	Interest Rate	Yield	Price	CUSIP
2039	$1,530,000	2.000%	2.000%	100.000%	376609HY2

City of Gladstone, Missouri

7010 North Holmes
Gladstone, Missouri 64118
816-436-2200

CITY OFFICIALS

City Council
R.D. Mallams – Mayor
Bill Garnos, Mayor Pro-Tem
Jean Moore
Tom Frisby
Tina Spallo

Administrative Officials
Scott Wingerson – City Manager
Bob Baer – Assistant City Manager
Dominic Accurso – Director of Finance

CERTIFIED PUBLIC ACCOUNTANTS

BT & Co., P.A.
Topeka, Kansas

SPECIAL TAX COUNSEL

Armstrong Teasdale LLP
Kansas City, Missouri

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota & Kansas City, Missouri

UNDERWRITER

Robert W. Baird & Co., Inc.
Red Bank, New Jersey

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021A CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2021A CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

The Underwriter and Municipal Advisor have reviewed the information in this Official Statement 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 neither the Underwriter nor the Municipal Advisor guarantee the accuracy or completeness of that information.

No dealer, broker, salesperson or other person has been authorized by the City, the Underwriter, or the Municipal Advisor to give any information or to make any representation with respect to the Series 2021A Certificates offered hereby other than those contained in this Official Statement, 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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2021A Certificates offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter or the Municipal Advisor. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "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. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

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. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE "RISK FACTORS" SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

$14,840,000
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

General

The purpose of this Official Statement is to furnish information in connection with the offering and sale of City of Gladstone, Missouri's Certificates of Participation (Capital Projects), Series 2021A, in the aggregate principal amount of $14,840,000* (the **"Series 2021A Certificates"**). The Series 2021A Certificates represent undivided interests in Base Rentals to be paid by the City of Gladstone, Missouri (the **"City"**) pursuant to an annually renewable Lease Purchase Agreement dated as of June 1, 2021 (the **"Lease"**), between Security Bank of Kansas City, Kansas City, Kansas (the **"Trustee"**), as lessor, and the City, as lessee. The Trustee has agreed to execute and deliver the Series 2021A Certificates pursuant to an Indenture of Trust dated as of June 1, 2021 (the **"Indenture"**). The Base Rentals constitute rent for use of the Leased Property pursuant to the Lease.

The City

The City is a third class city and political subdivision organized and existing under the constitution and laws of the State of Missouri.

Plan of Financing

Proceeds from the sale of the Series 2021A Certificates will be used a) to provide for the financing of the costs related to certain capital improvements for the City including, but not limited to, (i) the construction of a new Public Safety Headquarters adjacent to the existing City Hall; (ii) additions to and renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall associated with the construction of the Public Safety Headquarters as well as some additional renovations (such projects shall be collectively referred to herein as the **"Project"**) and b) to pay the costs of issuance of the Series 2021A Certificates. Simultaneously with the delivery of the Series 2021A Certificates, pursuant to a Ground Lease dated as of June 1, 2021 (the **"Ground Lease"**), the City will lease to the Trustee certain real estate (the **"Site"**) together with all improvements now or to be situated thereon (the Site and the improvements located thereon being collectively the **"Leased Property")**. The Leased Property is the site of the City's existing City Hall and, assuming completion of construction, the new Public Safety Headquarters. The Trustee, as lessor under the Lease, will lease the Leased Property to the City for an initial term ending June 30, 2021, with successive one-year renewal options (the **"Renewal Terms"**), with a final Renewal Term ending March 1, 2044. Each Renewal Term is subject to annual appropriation by the City Council.

A portion of each Base Rental will be used to pay interest distributable with respect to the Series 2021A Certificates, and a portion of each Base Rental will be used to pay principal and prepayment premium, if any, distributable with respect to the Series 2021A Certificates.

Limited Obligations

Under the Lease, the City has agreed to pay Base Rentals consisting of a principal component and an interest component (collectively, the **"Base Rentals"**) that are distributable with respect to the Series 2021A Certificates, but only if and to the extent that the City annually appropriates sufficient money to pay the Base Rentals coming due during each succeeding Renewal Term.

Neither the Series 2021A Certificates, the Lease nor any payments required under the Lease will constitute a mandatory payment obligation of the City in any year beyond the year during which the City is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the City. The City is not legally obligated to budget or appropriate money for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease is in effect, and there can be no assurance that the City will appropriate funds to make Base Rentals or renew the Lease after the Initial Term or any Renewal Term of the Lease. The City may terminate its obligations under the Lease on an annual basis. The City will have the option to purchase the Trustee's interest in the Leased Property as provided in the Indenture and the Lease.

Neither the Series 2021A Certificates nor the Lease will constitute a debt or liability of the City, the State of Missouri or any political subdivision thereof, nor will they constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease will not obligate the City to levy any form of taxation for the payments required thereunder or to make any appropriation for such payments in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Risk Factors

Payment of the principal and interest distributable with respect to the Series 2021A Certificates is subject to certain risks. See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS."**

Parity Obligations

The Indenture provides for the future delivery of Additional Certificates, if delivered, to be secured on a parity with the Series 2021A Certificates and any other Additional Certificates then Outstanding under the Indenture. The Series 2021A Certificates, together with any Additional Certificates, are collectively the "Certificates." See the caption **"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Additional Certificates"** in ***Appendix C*** hereto.

Continuing Disclosure Information

The City will enter into Continuing Disclosure Agreement with Security Bank of Kansas City as dissemination agent for the benefit of the beneficial owners of the Series 2021A Certificates to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of SEC Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of Continuing Disclosure Agreement is set forth in ***Appendix C***, attached hereto and made a part hereof.

The City believes that it has timely filed required operating and financial data required by previous undertakings since the fiscal year ended June 30, 2016, other than the City did not file notices of defeasances, redemptions and rating changes, if any, which were available from other sources.

A failure by the City to comply with the Continuing Disclosure Agreement will not constitute a default under the respective financing documents, and beneficial owners of the Series 2021A Certificates are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the City to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule, and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021A Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2021A Certificates and their market price.

Definitions and Descriptions; Inspection of Documents

All capitalized terms used in this Official Statement not defined in the text hereof are defined in ***Appendix C*** to this Official Statement. Brief descriptions of the Series 2021A Certificates, the Ground Lease, the Lease, the Indenture and certain other matters are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Ground Lease, the Lease and the Indenture are qualified in their entirety by reference to such documents. All references to the Series 2021A Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ground Lease, the Lease and the Indenture.

THE SERIES 2021A CERTIFICATES

Description

The Series 2021A Certificates are dated the date set forth on the cover page hereof. The principal component of Base Rentals distributable with respect to each Series 2021A Certificate will bear interest at specified rates as set forth on the inside cover page hereof. The interest component of Base Rentals distributable with respect to the Series 2021A Certificates will be payable semiannually on March 1 and September 1 of each year beginning on September 1, 2021 (collectively the **"Payment Dates"**). The principal component of Base Rentals distributable with respect to the Series 2021A Certificates is payable on March 1 of each year in the principal amounts set forth on the inside cover page of this Official Statement.

Interest distributable with respect to the Series 2021A Certificates is payable by (a) check or draft mailed by the Trustee to the person in whose name each Certificate is registered on the 15th day of the month next preceding each Payment Date at such person's address as it appears on the registration books kept by the Trustee under the Indenture (the **"Register"**), or (b) in the case of the payment of interest components to the Securities Depository or any Registered Owner of $500,000 or more in aggregate principal amount of Series 2021A Certificates, by electronic transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner not less than five days prior to the Record Date for such interest components, containing the electronic transfer instructions including 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. Principal distributable with respect to the Certificates is payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee.

Prepayment Provisions

Optional Prepayment. The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032 and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

Mandatory Sinking Fund Prepayment. The Series 2021A Certificates shall be subject to mandatory prepayment prior to stated maturity at a prepayment price of 100% of the principal amount so prepaid plus accrued interest thereon to the Prepayment Date, without premium, on March 1 in the following years and in the following principal amounts:

Term Certificates Maturing March 1, 2039

March 1 Prepayment Date	**Principal Amount**
2038	$760,000
2039*	$770,000

*Final Maturity

Extraordinary Optional Prepayment in the Event of Damage, Destruction or Condemnation. The Series 2021A Certificates are subject to prepayment in whole or in part at any time, at a Prepayment Price equal to 100% of the principal amount to be prepaid, together with accrued interest thereon to the date fixed for prepayment, but without premium, upon instructions from the City in the event that:

(1) title to, or the use for a limited period of, all or a substantial portion of the Leased Property is condemned by any authority having the power of eminent domain (other than the City or an entity controlled by, or affiliated with the City) to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any condemnation awards or sale under threat of condemnation with respect thereto;

(2) title to all or a substantial portion of the Leased Property is found to be deficient or nonexistent to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any title insurance;

(3) all or a substantial portion of the Leased Property is damaged or destroyed by fire or other casualty to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any casualty insurance; or

(4) as a result of changes in the constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Ground Lease, the Lease or the Indenture shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances,

unreasonable burdens or excessive liabilities are imposed on the City with respect to the Ground Lease, the Lease or the Indenture.

Partial Prepayment of Certificates. Certificates will be prepaid only in the principal amount of $5,000 each or integral multiples thereof. In the case of a partial prepayment of Certificates when Certificates of denominations greater than $5,000 are then outstanding, each $5,000 of principal amount will be treated as though it were a separate Certificate of the denomination of $5,000.

Selection of Certificates. With respect to any partial prepayment of the Certificates and unless otherwise provided in the Indenture, the particular Certificates to be prepaid will be prepaid in such order of stated payment dates as the City determines and within each stated payment date by such equitable manner as the Trustee determines.

Notice of Prepayment. Official notice of any prepayment of Certificates is required to be given by the Trustee by mailing a copy of the notice at least 30 days prior to the prepayment date by first class mail to the Owner of the Certificate or Certificates to be prepaid, at the address shown on the Register on the date the notice is mailed, as more fully described in the Indenture.

Acceleration

If the Lease is terminated upon the occurrence of an Event of Nonappropriation or an Event of Default occurs under the Indenture or the Lease and in either case the terms and conditions of the Indenture are satisfied, the principal component of Base Rentals then due and unpaid during the then current fiscal year with respect to the Certificates will be declared immediately due and payable. If sufficient money is not available to pay in full all interest and principal then due with respect to the Certificates, the Trustee will, after the payment of costs and expenses related to exercising remedies under the Indenture, apply all available money first to the payment of all interest due with respect to the Certificates, *pro rata* if necessary, and second to the payment of the principal due with respect to the Certificates, *pro rata* if necessary. See ***Appendix C*** hereto.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2021A Certificates. The Series 2021A Certificates will be delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2021A Certificates, each in the aggregate principal amount of such maturity.

DTC 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc.

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**.

Purchases of Series 2021A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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. Beneficial Owners are, however, 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 Series 2021A Certificates 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 interests in Series 2021A Certificates, except in the event that use of the book-entry system for the Series 2021A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2021A Certificates deposited by Direct 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 Series 2021A Certificates 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 Series 2021A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Certificates 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.

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. Beneficial Owners of Series 2021A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021A Certificates, such as prepayments, defaults, and proposed amendments to the related documents. For example, Beneficial Owners of Series 2021A Certificates may wish to ascertain that the nominee holding the Series 2021A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2021A Certificates within an issue 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021A Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Series 2021A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal Portions and Interest Portions on the Certificates 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 City or the Trustee, on each payable date 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, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021A Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021A Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021A Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no 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.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Certificates are transferable only upon the Register upon presentation and surrender of the Certificates, together with instructions for transfer. Certificates may be exchanged for other Certificates of any denomination authorized by the Indenture in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Trustee, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

SECURITY FOR THE CERTIFICATES

Limited Obligations; Sources of Payment

Each Certificate evidences the undivided interest of the Owner thereof in the right to receive Base Rentals to be made by the City under the Lease. The Series 2021A Certificates are payable solely out of the Base Rentals and other money and investments held by the Trustee under the Indenture.

The City's obligation to make Base Rentals and other payments under the Lease is subject to annual appropriation by the City and will not constitute a debt or liability of the City, the State of Missouri or any political subdivision thereof, or an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease and the Certificates will not obligate the City to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Under the terms of the Lease, if the City elects to renew the Lease at the end of the Initial Term or any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its general revenues derived from user fees and other sources, which appropriation must be sufficient to make the Base Rentals coming due during the ensuing fiscal year. The City is obligated to make Base Rentals to the Trustee on the 15th of each month preceding each Payment Date, which payments will be distributable as principal and interest with respect to the Certificates (but only if the City elects to renew the Lease for each Renewal Term). **There can be no assurance that the City will appropriate funds for Base Rentals or renew the Lease after the initial term. The City**

is not legally required to budget or appropriate money for any subsequent fiscal year beyond the current fiscal year.

Ground Lease

The City will, pursuant to the Ground Lease, lease the Leased Property to the Trustee, as lessee. The Site contained within the Leased Property consists of the existing City Hall and the site on which the Public Safety Headquarters will be located, assuming completion of construction. The insured value of the existing City Hall is $7,367,860, exclusive of contents. The City estimates that the construction costs of the Public Safety Headquarters will be approximately $12,000,000 including allocable design, contingency and issuance costs.

The Ground Lease is for a term ending June 30, 2064. See **"PLAN OF FINANCING"** herein.

If an Event of Default or Event of Nonappropriation occurs under the Indenture or the Lease, the Trustee has the right to possession of the Leased Property (including that portion of the Project and all other improvements now or to be situated on the Leased Property) for the remainder of the term of the Ground Lease, and has the right to assign or sublease its interest in the Ground Lease upon such terms as it deems prudent. The proceeds from such assignment or sublease are required to be paid to the Trustee and applied in accordance with the Indenture. **Owners of the Certificates are cautioned, however, that the nature of the Leased Property may impair the Trustee's ability to assign or sublease it upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount therefor that would be sufficient to pay the principal and interest distributable with respect to all Certificates then outstanding.** See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS — Expiration or Termination of the Lease"** below.

Parity Obligations

Additional Certificates may be delivered without the consent of the Owners of the Certificates to (a) refund the Certificates of any series in a manner which provides present value debt service savings to the City, and (b) fund the costs of completing the Project or for additional projects for the City.

All Additional Certificates will be secured by the lien of the Indenture and will rank on a parity with the Series 2021A Certificates and any Additional Certificates. Unless provided otherwise in a supplement to the Indenture, any Additional Certificates will be in substantially the same form as the Series 2021A Certificates, but will bear such date or dates, bear such interest rate or rates, have such payment date or dates, prepayment dates and prepayment premiums, and be issued at such prices as are approved in writing by the City, subject to the requirements of the Indenture.

THE TRUSTEE

Security Bank of Kansas City, Kansas City, Kansas, a Kansas state banking corporation, will be the Trustee under the Indenture and a party to the Lease and the Ground Lease. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Indenture, the Lease or the Ground Lease by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2021A Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Indenture, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Indenture, the Lease or the Ground Lease is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either express or implied in the Certificates, the Indenture, the Lease or the Ground Lease, all such

liability, if any, being expressly waived by the Owners of the Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Certificates. Insofar as the City is concerned, the Trustee and the Owner of any Certificate and any person claiming by, through or under the Trustee or the Owner of any Certificate may look solely to the Trust Estate described in the Indenture for payment of the interests evidenced by the Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Lease, the Trustee will have a first lien with right of payment prior to payment on account of any principal or interest with respect to the Certificates for such compensation, expenses, disbursements and indemnification.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of the Series 2021A Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2021A Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2021A Certificates are described below.

Limited Obligations

The Series 2021A Certificates represent an interest in the right to receive amounts due under the Lease, which constitute currently budgeted expenditures of the City, payable only if the City appropriates sufficient money to extend the term of the Lease for each successive fiscal year. The Initial Term of the Lease expires on June 30, 2021. The Lease is thereafter subject to successive one-year Renewal Terms commencing on July 1 of each year, and a final renewal term ending March 1, 2044. The City's obligations under the Lease do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Although the City intends to satisfy its obligations to pay Base Rentals out of the revenues generated by its user fees, those revenues are not pledged to the payment of the Certificates.

The City has declared its current intention and expectation that the Lease will be renewed annually until the City exercises its option to acquire the Trustee's interest in the Leased Property. However, such a declaration may not be construed as contractually obligating or otherwise binding the City. Accordingly, the likelihood that the City will renew the Lease for all Renewal Terms and continue to pay the Base Rentals thereunder for distribution by the Trustee with respect to the Series 2021A Certificates is dependent upon certain factors which are beyond the control of the Owners, including (1) the availability of funds from the Series 2021A Certificates or other sources in an amount sufficient to complete the Project, (2) the City's continuing need for the Leased Property, (3) the demographic conditions within the City, (4) the City's ability to generate sufficient funds from user fees and charges and other sources to pay its obligations under the Lease and its other obligations and (5) the value of the Leased Property if assigned or subleased in proceedings instituted by the Trustee if the term of the Lease is terminated as a result of an Event of Default or Event of Nonappropriation.

No Reserve Fund

No debt service reserve fund is being established for the Series 2021A Certificates.

Expiration or Termination of the Lease

The Lease will expire by its terms on June 30 during each year from 2021 through 2044 (with an final term ending March 1, 2044), unless the City in its sole discretion exercises the option provided in the Lease to extend its term for each next succeeding Renewal Term. If the City does not extend in any year the term of the Lease, the City's obligation to make payments will terminate on the June 30 occurring at the end of the Initial Term or the then current Renewal Term. Upon (1) the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs or (2) a default under the Lease and an election by the Trustee to terminate the City's possessory interest under the Lease, the City's right of possession of the Leased Property under the Lease will expire or be terminated, as appropriate. See ***Appendix C*** hereto.

If the City's right of possession of the Leased Property under the Lease expires or is terminated for either of the reasons described in the preceding paragraph, the City's obligation to make payments thereunder will continue through the Initial Term or the Renewal Term then in effect, but not thereafter, and the Series 2021A Certificates will be payable from, among other sources, such money as may be available by way of recovery from the City of the Base Rentals that are due through the Initial Term or the Renewal Term then in effect. If the Lease expires at the end of the Initial Term or a Renewal Term without any extension for the next succeeding Renewal Term or if an event occurs as described above pursuant to which the Trustee terminates the City's right of possession of the Leased Property under the Lease, the Trustee may recover and relet or assign its interest in the Leased Property as provided in the Ground Lease and the Indenture. The net proceeds of any reletting or assignment of the Trustee's interest in the Leased Property, together with certain other money then held by the Trustee under the Indenture, are required to be used to pay the Certificates to the extent of such money.

Due to the nature of the Leased Property, no assurance can be given that the Trustee could relet or assign its interest in the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the principal and interest components of Base Rentals then due with respect to the Certificates. The Leased Property consists of the City's City Hall and, assuming completion of construction, a Public Safety Headquarters, and the number of potential purchasers or lessees may be limited. Furthermore, no assurance can be given that the amount, if any, realized upon any reletting or assignment of the Trustee's interest in the Leased Property will be available to provide for the payment of the Certificates on a timely basis. The insured value of the Leased Property is less than the principal amount of the Certificates.

Delays in Exercising Remedies

A termination of the City's right of possession of the Leased Property under the Lease as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease at the end of the Initial Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to relet or assign its interest in the Leased Property in accordance with the provisions of the Ground Lease and the Indenture. However, the enforceability of the Ground Lease and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by the State of Missouri or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Leased Property is used by the City for the performance of its governmental functions. Due to the governmental use of the Leased Property and the delays inherent in obtaining possession of the Leased Property and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the principal and interest components of Base Rentals with respect to the Certificates. The legal opinions to be delivered with the delivery of the Series 2021A Certificates will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or

similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases. If such money is insufficient to pay all outstanding Certificates in full, the Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of principal and interest components of Base Rentals with respect to the Certificates.

Damage or Destruction of the Leased Property

The Lease requires the Leased Property to be insured as described in ***Appendix C*** hereto. If the Leased Property is damaged or destroyed, the City is nevertheless required to continue to make payments under the Lease, subject to the exercise of its option to extend the term of the Lease for each next succeeding Renewal Term and to the application of Net Proceeds from insurance and certain other sources to repair, restore, modify, improve or replace the affected portion of the Leased Property. If the Net Proceeds from insurance and such other sources are sufficient to repair, restore, modify, improve or replace the affected portion of the Leased Property, such proceeds are to be so applied. If the Net Proceeds are insufficient for such purpose, (1) the City is obligated to commence and thereafter complete the work and pay any cost in excess of such net proceeds, but only from Supplemental Rent appropriated by the City, in order for the affected portion of the Leased Property to be repaired, restored and replaced, (2) if the failure to repair or restore does not materially detract from the value of the Leased Property, such net proceeds may be deposited into the Certificate Payment Fund or (3) the City may apply net proceeds to the payment of all or a portion of the Option Price applicable on the next available Optional Payment Date.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction. See ***Appendix C*** hereto.

Construction Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated construction difficulties and other "force majeure" occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely construction of certain portions of the Project. No assurance can be given that the Project will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the City's decision to continue appropriations and the Trustee's ability to relet the Leased Property.

Effect on Tax-Exemption of Termination of the Lease

Special Tax Counsel is not rendering an opinion with respect to the tax-exempt status of the Interest Component of the Base Rentals distributable to owners of the Series 2021A Certificates subsequent to the termination of the Lease for any reason (including an Event of Default or an Event of Nonappropriation under the Lease). If the Lease is terminated while Series 2021A Certificates are outstanding, there is no assurance that payments made to Series 2021A Certificate owners after such termination with respect to interest will be excluded from gross income of the owners thereof for federal or Missouri income tax purposes.

Amendment of the Indenture, Lease and Ground Lease

Certain amendments to the Indenture, the Lease and the Ground Lease may be made with consent of the owners of not less than a majority in principal amount of the Certificates (including any Additional Certificates which may be hereafter delivered) then outstanding affected by such supplemental indentures or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates.

Other Factors

The City intends to satisfy its obligation to pay Base Rentals under the Lease out of the revenues of the general fund of the City. Purchasers of the Certificates should be aware, however, that such revenues are not pledged to the payment of the Certificates. Additionally, one or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Management*. Changes in key management personnel could affect the capability of the management of the City.

2. *Future Economic Conditions*. Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.

3. *Insurance Claims*. Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial performance.

4. *Environmental Hazards*. The City has covenanted in the Lease to comply with all applicable environmental laws. The City is not aware of any environmental condition at the Leased Property that requires any present remedial action. The discovery of such a condition may adversely affect the City's willingness to renew the Lease after the expiration of the Initial Term or any Renewal Term.

5. *Natural Disasters*. The occurrence of natural disasters, such as floods, droughts or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations of the City.

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as "**COVID-19**"), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, the President of the United States on March 13, 2020, declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State signed an Executive Order declaring a state of emergency in the State in response to COVID-19. On April 24, 2020, the Governor signed another Executive Order extending the state of emergency in the State through June 15, 2020. On June 11, 2020, the Governor signed another Executive Order extending the state of emergency in the State through December 30, 2020. The stated purpose of the Executive Orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary.

On April 3, 2020, the Governor issued a "stay at home order," which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their residences was necessary. On April 27, 2020, the Missouri Department of Health and Senior Services ("**DHS**") issued the "Show Me Strong Recovery Order," which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS issued the "Economic Reopening Order," which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS orders expired on June 16, 2020, and the State is not currently under a statewide public health order. Despite the expiration of statewide orders, the State remains under a "State of Emergency" through August 31,

2021 and cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

On July 19, 2020, Clay County (where the City is located) began requiring face masks and coverings to be worn in all indoor areas of public accommodation. On August 21, 2020, the order was amended to allow schools to open, granting certain exemptions for essential governmental functions as described in the order and providing that youth sports leagues may resume. The order expired on May 14, 2021. According to the County website, as of May 12, 2021, 40% of eligible residents in the County have been vaccinated.

In preparing for the COVID-19 pandemic for Fiscal Year 2020, the City staff expected to receive less than budgeted revenues in sales tax, fines and forfeitures, and charges for services associated with recreation and the Community Center. Sales tax for the fiscal year ending June 30, 2020 increased over 3% from the previous year. Use tax increased over 30% from the previous year ($680,053 in fiscal year 2019 to $950,190 in fiscal year 2020). Revenue shortfalls were mitigated by postponing or canceling events and temporarily closing the Community Center for a portion of the stay at home order. The economic affect to the General Fund was not significant, however the City realized decreases in charges for services and fines and forfeitures. The Community Center's lost revenue is estimated to be $350,000.

In May, 2020, Clay County distributed CARES Act funding to the municipalities of the County to assist with COVID-19 related expenses. The City received $2,519,805 and is allowed to utilize funds for COVID-19 related expenses from March 1, 2020 through December 31, 2020. Qualifying expenses include but are not limited to personal protection equipment (PPE), sanitizing supplies and services, equipment to enable employees to work from home, and salaries and benefits for COVID related work. The City incurred and drew down $1,114,645 in Coronavirus Relief Fund (CRF) related expenses as of June 30, 2020.

The economic effect of the 2021 fiscal year is expected to be similar to the 2020 fiscal year with minimal revenue shortfalls in most funds that can be offset by reductions in expenditures. A loss of $600,000 is expected for the Community Center Fund. In planning the 2021 fiscal year budget, staff was cognizant of the possibility that the COVID-19 virus would continue throughout the year and extend into the future. The City plans to mitigate losses from the pandemic by conservative planning and budgeting and using CRF funding. The City is expected is draw down the remaining $1,405,160 of CRF funds for the 2021 fiscal year. Staff is also working to use funding from the American Rescue Plan Act (ARPA) to recapture lost revenue for periods allowed by the Act.

Encumbrances on Title to Site

The Site is subject to certain encumbrances. The City, in some cases with the assistance of outside legal counsel, has evaluated the encumbrances and does not believe they materially adversely affect title to the Site for its projected use, the City's financial condition or the ability to make Rental Payments under the Lease.

PLAN OF FINANCING

The Project

The Project includes certain capital improvements for the City including (i) the construction of a new Public Safety Headquarters adjacent to the existing City Hall; (ii) additions to and renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall associated with the construction of the Public Safety Headquarters as well as some additional renovation.

The City is currently in the design phase of the Public Safety Headquarters and anticipates that it will include approximately 25,000 square feet, including jail cells, dispatch, office space and related uses for the police and fire functions of the City. The work at Fire Station Number 2 includes construction of an

approximately 1,500 square foot community room, office space, and parking. Work at the existing City Hall will be comprised of general renovation such as carpeting, painting and some reconfiguration of interior space.

Including allocable design, contingency and issuance costs, the Public Safety Headquarters construction and furnishing is projected to cost approximately $12,000,000, the Fire Station improvements approximately $2,800,000 and the City Hall improvements approximately $1,100,000. Final costs will be dependent on design and bidding of the improvements.

Sources and Uses of Funds

The following table itemizes the estimated sources of funds, including the proceeds from the sale of the Series 2021A Certificates (excluding accrued interest) and how such funds are expected to be used:

Sources of Funds:	
Par Amount of the Series 2021A Certificates	$14,840,000.00
Net Original Issue Premium	1,409,862.40
Total	$16,249,862.40
Uses of Funds:	
Deposit to Construction Fund	$15,900,000.00
Costs of Issuance[(1)]	349,862.40
Total	$16,249,862.40

(1) Includes underwriters' discount.

FINANCIAL STATEMENTS

The City maintains its financial records on the basis of a fiscal year ending June 30. Set forth in *Appendix B* are the City's audited financial statements for the fiscal year ended June 30, 2020.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Certificates are subject to the approving legal opinion of Armstrong Teasdale LLP, Kansas City, Missouri, Special Tax Counsel. A copy of the proposed form of the approving opinion of Special Tax Counsel is attached hereto as **Exhibit D**.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding the Series 2021A Certificates. 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 (1) discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances; (2) describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws; (3) except for the income tax laws of the State of Missouri, discuss the consequences to an owner under any state, local or foreign tax laws; or (4) deal with the tax treatment of persons who purchase the Series 2021A Certificates 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 Series 2021A Certificates.

Federal Income Tax Consequences of Owning Series 2021A Certificates

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Certificates in order for the Interest Component of Base Rentals paid by the City under the Lease and distributed to the owners of the Series 2021A Certificates (the "Interest Component") to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements would cause the Interest Component to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Certificates. The City has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of interest of the Interest Components from gross income for federal income tax purposes pursuant to Section 103 of the Code. Special Counsel assumes compliance with these requirements. In addition, the City has made certain representations and certifications in regards to the Series 2021A Certificates and the Lease. Special Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Special Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of the aforementioned representations and certifications of the City, the Interest Component (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax. The City's obligation to pay Base Rentals under the Lease has not been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code. Special Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021A Certificates.

State Taxes

Special Counsel is also of the opinion that, under existing law and assuming that the Interest Component is excluded from gross income for federal income tax purposes, the Interest Component (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excluded from Missouri taxable income for purposes of the personal income tax and corporate income tax imposed by the State of Missouri under Chapter 142 of the Revised Statutes of Missouri. Special Counsel expresses no opinion as to whether the Interest Component is exempt from the taxes imposed by the State of Missouri on financial institutions under Chapter 148 of the Revised Statutes of Missouri.

Original Issue Discount

Special Counsel is also of the opinion that, subject to the conditions set forth above, the original issue discount (as described below) is the selling price of any Series 2021A Certificate sold in the initial offering to the public at a price less than the par amount thereof (hereinafter referred to as the "OID Certificates"), to the extent properly allocable to each owner of such Series 2021A Certificate, is excluded from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Certificate over its issue price. Under Section 1288 of the Code, the issue price of an OID Certificate is generally the first price at which a substantial amount of the Series 2021A Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a compound basis. For an owner who acquires an OID Certificate in this offering, the amount of original issue discount that accrues during any accrual period generally equals (1) the issue price of that OID Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that OID Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (3) any interest payable on that OID Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that sale or exchange of such OID Certificate. Any gain realized by an owner from a sale, exchange, payment or

redemption of an OID Certificate would be treated as gain from the sale or exchange of such OID Certificate. Owners of OID Certificates should consult with their individual tax advisors to determine whether the application of the original issue discount rules and regulations for federal tax purposes require inclusion for state and local income tax purposes of an amount of interest on the OID Certificates as income, even though no corresponding cash interest payment is actually received during the tax year.

Original Issue Premium

The Series 2021A Certificates to be sold in the initial offering at a price greater than the principal amount thereof (hereinafter referred to as the "OIP Certificates") are offered at a price in excess of the principal amount thereof resulting in a yield less than the interest rate for each such maturity as shown on the cover page hereof. Under the Code, the difference between the principal amount of an OIP Certificate and the cost basis of such OIP Certificate to an owner thereof is "bond premium." Under the Code, bond premium is amortized over the term of an OIP Certificate for federal income tax purposes. An owner of an OIP Certificate is required to decrease its basis in such OIP Certificate by the amount of the amortizable bond premium attributable to each taxable year (or portion thereof) it owns the OIP Certificate. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate determined with respect to the yield on an OIP Certificate compounded on each interest payment date. The amortizable bond premium attributable to a tax year is not deductible for federal income tax purposes. Owners of OIP Certificates (including purchasers of OIP Certificates in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of such OIP Certificates and with respect to the state and local consequences of owning and disposing of such OIP Certificates.

Other Federal Tax Matters

Ownership of the Series 2021A Certificates may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit and taxpayers (including banks, thrift institutions, and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021A Certificates.

Interest paid on tax-exempt obligations such as the Lease (the proportionate ownership of which is represented by the Series 2021A Certificates) is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, the Interest Component paid with respect to the Series 2021A Certificates may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Special Counsel is not rendering any opinion as to any federal tax matters other than those described under the caption "Tax Matters." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Certificates, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

THE FOREGOING DISCUSSION IN **"TAX MATTERS"** WAS NOT INTENDED OR WRITTEN BY SPECIAL COUNSEL TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2021A CERTIFICATES. THE FOREGOING DISCUSSION IN "TAX MATTERS" WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2021A CERTIFICATES. EACH PROSPECTIVE PURCHASER OF THE

SERIES 2021A CERTIFICATES SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE PURCHASER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of AA- to the Series 2021A Certificates. Such rating reflects only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Series 2021A Certificates.

ABSENCE OF LITIGATION

There is not now pending or, to the City's knowledge, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the delivery of this Official Statement or the Series 2021A Certificates or the proceedings or authority under which they are to be delivered. There is no litigation pending or, to the City's knowledge, threatened which in any manner challenges or threatens the City's powers to enter into or carry out the transactions contemplated by the Indenture, the Lease, the Ground Lease and this Official Statement, or which would materially and adversely affect the financial condition of the City.

UNDERWRITING

Based upon bids received by the City on June 10, 2021, the Series 2021A Certificates are being awarded to Robert W. Baird & Co., Inc. – Red Bank, New Jersey (the **"Underwriter"**). The Series 2021A Certificates are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Series 2021A Certificates at an aggregate purchase price of $16,057,292.00 (the principal amount of the Series 2021A Certificates less an underwriter's discount of $192,570.40 and plus net original issue premium of $1,409,862.40), plus accrued interest, if any. The Underwriter is purchasing the Series 2021A Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Series 2021A Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter shall determine. The Underwriter is purchasing the Series 2021A Certificates from the City for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Series 2021A Certificates at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Series 2021A Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2021A Certificates to the public. The Underwriter may offer and sell Series 2021A Certificates to certain dealers (including dealers depositing Series 2021A Certificates into investment trusts) at prices lower than the public offering prices.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Series 2021A Certificates (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the City to provide certain Municipal Advisory services including, among other things, review of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the

"Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

BTUS was engaged to conduct the executive recruitment search for the Police Chief of the City within the 24-month period ending on the date of this Official Statement. BTUS received a fee from the City which was separate from the fee that BTMA will receive for its municipal advisory services.

Municipal Advisor Registration:

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Series 2021A Certificates.

The offer and sale of the Series 2021A Certificates shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Series 2021A Certificates, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

CONTINUING DISCLOSURE

The City and Security Bank of Kansas City, as dissemination agent, are entering into a Continuing Disclosure Agreement for the benefit of the owners and Beneficial Owners of the Series 2021A Certificates in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure.

Pursuant to the Continuing Disclosure Agreement, the City will, or will cause the Dissemination Agent to, not later than **210** days after the end of the City's fiscal year, file with the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the City for the prior fiscal year. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of the financial information and operating data contained in the following sections of **Appendix A** of this Official Statement:

SALES TAX INFORMATION CONCERNING THE CITY –
Sales Tax Collections
PROPERTY TAX INFORMATION CONCERNING THE CITY –
Tax Collection Record
Major Property Taxpayers

Pursuant to the Continuing Disclosure Agreement, the City also will give, or cause the Dissemination Agent to give, notice of the occurrence of certain events with respect to the Series 2021A Certificates, if material ("Material Events").

Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Dissemination Agent may amend the Continuing Disclosure Agreement and any provision of the Continuing Disclosure Agreement may be waived, provided Co-Special Tax Counsel or other counsel experienced in federal securities law matters provides the Dissemination Agent with its opinion that the undertaking of the City, 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 the Continuing Disclosure Agreement.

In the event of a failure of the City or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, the Dissemination Agent, the Underwriter or any owner or Beneficial Owner of the Series 2021A Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement will not be deemed an event of default under the Indenture, the Lease or the Series 2021A Certificates, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement will be an action to compel performance.

MISCELLANEOUS

References herein to the Indenture, the Lease, the Ground Lease and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The form of this Official Statement and its distribution and use by the Underwriter has been approved by the City; however, the City has made no warranty or representations regarding either the accuracy or sufficiency of any material contained herein. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the City's financial condition or its ability to make payments required under the Lease and the Indenture.

CITY OF GLADSTONE, MISSOURI

By: /s/Scott Wingerson
City Manager

APPENDIX A

CITY OF GLADSTONE, MISSOURI

APPENDIX A

THE CITY OF GLADSTONE, MISSOURI GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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APPENDIX A

THE CITY OF GLADSTONE, MISSOURI GENERAL, ECONOMIC AND FINANCIAL INFORMATION

GENERAL AND ECONOMIC INFORMATION CONCERNING THE CITY

Note: Much of the economic and financial information in this Appendix A is historical in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See the caption "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Potential Risks Relating to COVID-19" in the Official Statement.

Location and Size

The City is located in the southern part of Clay County and is in the northern part of the Kansas City Metropolitan area.

The City encompasses approximately 9 square miles and has a current estimated population of 27,317.

Government and Organization

The City was incorporated in 1952. It is incorporated as a third-class city under the Missouri statutes utilizing the City Manager form of government. In accordance with these statutes, the registered voters within the City elect five individuals at-large to serve alternating three-year terms as representatives on the City Council. Each year the City Council selects, from amongst themselves, a Mayor and a Mayor Pro Tem. The Council also appoints a City Manager to serve as the chief executive officer of the City.

The elected City officials as of the date of the Official Statement are as follows:

R.D. Mallams	Mayor
Bill Garnos	Mayor Pro-Tem
Jean Moore	Councilmember
Tom Frisby	Councilmember
Tina Spallo	Councilmember

Among the appointed officials of the City are the following:

Scott Wingerson	City Manager
Bob Baer	Assistant City Manager
Chris Williams	City Attorney
Dominic Accurso	Finance Director
Ruth Bocchino	City Clerk

Municipal Services and Utilities

Utility service in the City is mixed between public and private companies. Water and sewage utilities are provided by the Combined Waterworks and Sewerage System (the "System") of the City. This System has the responsibility of providing water and sewerage service to the City. Water and sewerage rates are established to meet the total revenue requirements of the System. The City also provides law enforcement, fire protection, paramedic services, community enrichment and development and various social services. Natural gas is supplied by Spire Inc. Electricity is supplied by Evergy.

Transportation and Communication Facilities

The City is ringed by U.S. Highway 169 on the western boundary, Missouri Highway 152 north of the City, Interstate 435 on the eastern boundary of the City and U.S. Highway 69 south of the City. These highways connect with Interstate Highways 29, 35, 435 and 635 and thereby give the City good access to the entire metropolitan Kansas City area. The City is approximately 10 miles from the Kansas City International Airport and approximately 8 miles from downtown Kansas City.

Telephone service in the area is supplied by AT&T and major cellular telephone providers.

The City is served by one daily newspaper, *The Kansas City Star*.

The four major commercial television networks, as well as public television and cable television, serve the City, and a number of AM and FM stations broadcast throughout the area.

Educational Institutions and Facilities

North Kansas City School District, the third largest school district in Missouri, serves the Gladstone community and has earned state and national accreditation. North Kansas City School District is comprised of 22 elementary schools, two sixth grade centers, four middle schools and four high schools. The District also offers optional pre-kindergarten and before/after school programs, gifted/honors programs, career and professional academies and adult and community education programs. The total enrollment of the District is 21,179. Oakhill Day School, located within the City limits, is a private, non-parochial independent day school with 365 students from 18 months through 8th grade. Northland Catholic Schools offers six schools in close proximity to the City serving students from pre-kindergarten through middle school. Maple Woods Community College is located just outside the City limits, and has an annual enrollment of more than 5,400. Northwest Missouri State University opened a Kansas City Campus at the Innovation Center in Gladstone. Annual enrollment of the university is about 100 students. The Mid-Continent Public Library has a branch location in Gladstone and the residents of the City have easy access to the Kansas City Metropolitan area's numerous colleges and universities, technical institutes and seminaries.

Medical and Health Facilities

The three-county hospital service area in which Gladstone is located is served by numerous hospitals and physicians. North Kansas City Hospital is located six miles to the south of the City's limits and is a 451 licensed-bed, 3,000 employee acute care facility located at I-35 and Armour Road East. St. Luke's North, located five miles west of the City at the intersection of I-29 and Barry Road, is a 95-bed acute care facility offering more than 20 specialized health care services. Both hospitals provide a variety of medical services and community resources for the Kansas City area.

Recreational, Cultural and Religious Facilities

The City has 14 public parks covering 271 acres of park land, an outdoor amphitheater, 8 playgrounds, 7 tennis courts, 8 softball facilities, 11 soccer fields, 18 hole disk golf course, a municipal swimming pool and a community center with indoor competitive and recreation pools. The City offers many different recreational programs throughout the year ranging from basketball, soccer, tennis and aerobics to summer Theater in the Park. The City also hosts a number of special events including a fall festival (Gladfest) and a summer blues festival.

Smithville Lake is in a county recreational park near the City and offers numerous activities such as boating, fishing, skiing and swimming. Worlds of Fun amusement park, Oceans of Fun water park, Hodge Park, Line Creek Park and Archaeological Preserve and the Missouri River are also within easy access to City residents.

Other cultural and recreational activities are in the Kansas City metropolitan area and therefore within minutes of the City. The Harry S Truman Sports Complex is home to the Kansas City Royals professional baseball team and the Kansas City Chiefs professional football team and Kemper Arena is home to a variety of activities.

Sprint Center is host to concerts, family shows, special events as well as professional, collegiate and amateur sporting events. There are various bowling, skating, golfing and movie facilities available in the community.

There are numerous churches located within the City.

Commerce and Industry

The concentration of employment and businesses in the City are in the Service and Retail Trade industries.

New additions to the downtown landscape include two new restaurants and entrepreneurial workspaces. In December of 2018, Summit Grill opened in the retail space of the Heights at Linden Square. The Gladstone location is the company's newest and largest establishment. Stone Canyon Pizza relocated from Zona Rosa to downtown Gladstone in July of 2019. iWerx and DesignWerx are entrepreneurial development centers offering private office space and a collaborative environment for entrepreneurs and contractors. iWerx has completed their renovation on a 30,000 square foot, 40 year old downtown building during the 2019 fiscal year. One of the newest projects in the downtown district is the groundbreaking on a Fairfield Inn & Suites by Marriot. The 67,000 square foot 110 room hotel is scheduled to open in 2021 giving visitors a place to stay while in the area.

Employment

Since the City is located in the northern portion of the Kansas City, Missouri metropolitan area, employment opportunities for residents of the City are available both in the City and throughout the Kansas City metropolitan area.

Listed below are the top ten employers located in the City:

Employer	Type of Business	Number of Employees
Hy-Vee	Grocery Store	372
Walmart	Retail	339
North Kansas City School District	Public Education	284
Par Electrical Contractors	Electrical Contractor	200
City of Gladstone	Government	193
Van Chevrolet	Automobile Dealership	160
The Home Depot	Home Improvement Store	150
Gladstone Dodge	Automobile Dealership	114
McDonalds	Restaurant	114
Northtowne Hyundai	Automobile Dealership	103

Source: City of Gladstone, Missouri, 2020 Financial Report

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

Employer	Type of Business	Number of Employees
Federal Government	Government	20,846
Children's Mercy Hospital	Healthcare	8,382
Cerner Corporation	Healthcare IT solutions	6,879
Honeywell	Manufacturaing	5,000
St. Lukes Health System	Healthcare	4,638
Internal Revenue Service	Government	4,600
City of Kansas City	Government	4,411
Truman Medical Ctrs.	Heathcare	3,579
SS&C	Healthcare and Insurance	3,125
Burns & McDonnell	Engineering/Architects	2,907

Source: Kansas City Economic Development Council

The following table sets forth unemployment figures for the last five years for the City, Clay County and the State of Missouri.

	2016	2017	2018	2019	2020
City					
Total Labor Force	14,998	14,663	14,652	14,695	14,684
Unemployed	653	585	462	490	1,019
Unemployment Rate	4.4%	4.0%	3.2%	3.3%	6.9%
Clay County					
Total Labor Force	134,971	134,872	134,903	137,176	136,568
Unemployed	5,229	4,885	3,904	3,915	8,374
Unemployment Rate	3.9%	3.6%	2.9%	2.9%	6.1%
State of Missouri					
Total Labor Force	3,072,904	3,057,460	3,051,194	2,978,046	3,052,700
Unemployed	139,447	115,269	98,179	100,885	185,538
Unemployment Rate	4.5%	3.8%	3.2%	3.3%	6.1%

Source: (MERIC) Missouri Economic Research and Information Center. Not seasonally adjusted.

Financial and Banking Institutions

There are numerous financial institutions and credit unions located within the City.

Housing

The following table sets forth the owner/renter occupancy percentages in the City:

Total Units	12,109
Owner Occupied	7,083
Renter Occupied	4,047
Vacant	979
Total Occupied Units	11,130
% of Owner Occupied Units	63.6%
% of Renter Occupied Units	36.4%

Source: U.S. Census Bureau, 2018 American Community Survey

Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over a five-year period. These numbers reflect permits issued for new construction.

	Commercial Construction[1]		Residential Construction[1]	
Fiscal Year Ended	Number of Units	Value	Number of Units	Value
2020	3	$11,637,000	8	$1,365,500
2019	2	800,400	5	1,406,867
2018	1	342,421	30	3,002,931
2017	6	3,186,688	22	2,733,932
2016	2	1,580,673	36	3,680,018
2015	4	22,331,992	29	3,680,018

General Demographic Statistics

The following table shows the population of the City according to the U.S. Census for each of such years.

Year	Population
1960	14,502
1970	23,817
1980	25,127
1990	26,243
2000	26,365
2010	25,410
2019*	27,489

*Estimated

DEBT STRUCTURE OF THE CITY

Current Long-Term General Obligation and Revenue Bond Indebtedness

In December 2010, the City issued its Taxable General Obligation Street Improvement Bonds (Build America Recovery Zone Economic Development Bonds – Direct Pay), Series 2010 in the principal amount of $2,000,000 for the purpose of constructing street improvements, which are outstanding as of June 30, 2020 in the amount of $600,000.

In December 2010, the City issued its Taxable Combined Water and Sewerage System Revenue Bonds (Build America Recovery Zone Economic Development Bonds), Series 2010 in the principal amount of $5,725,000 for the purpose of improving and extending the existing municipal water and wastewater system, which are outstanding as of June 30, 2020, in the amount of $1,725,000.

[1] Based on building permits issued by the City; property values are estimates provided at time of permit issuance

Lease Obligations

Certificates of Participation.

In 2015, the City issued $23,510,000 in Certificates of Participation with a final maturity of June 1, 2031 (the "Series 2015 Certificates") to (a) fund improvements to the extent proceeds are available including (i) improvements at Hobby Hill Park, including new access from Broadway Avenue, two shelters, restrooms, generational play structures, sled hill, wetland development, .25 mile paved trail around wetlands, clearing of primitive trails, and installation of drive lanes, parking and lighting (collectively, the "Hobby Hill Park Improvements"), (ii) improvements to the City's outdoor pool, and (iii) construction of a senior center, (b) prepay $20,540,000 outstanding principal amount of Certificates of Participation, Series 2006-A evidencing a proportionate interest in Basic Rent Payments to be made by the City of Gladstone, Missouri pursuant to an annually renewable Lease Purchase Agreement (the "Series 2006- A Certificates"), which were used to, among other things, (i) acquire, construct, furnish, equip and install a new community recreation center/natatorium, improvements to an existing outdoor swimming pool, improvements to City streets in the vicinity of the new community recreation center/natatorium and a computer aided dispatch system for the City's public safety department and (ii) refund a prior series of certificates of participation that were used to, among other things, provide funds to acquire, construct, furnish, equip and install improvements to the City Hall and storm water improvements, and (c) pay certain expenses related to the delivery of the Series 2015 Certificates. As of June 30, 2020, the Series 2015 Certificates are outstanding in the amount of $18,190,000.

In 2011, the City issued $7,740,000 in Certificates of Participation with a final maturity of June 1, 2023 (the "Series 2011 Certificates") in order to provide for costs related to certain improvements to City facilities. The Series 2011 Certificates are outstanding as of June 30, 2020, in the amount of $2,075,000.

In 2020, the City issued $7,450,000 of Certificates of Participation, Series 2020A in order to provide for costs related to acquisition of equipment and certain improvements to City facilities. The Series 2020A Certificates are outstanding as of the date hereof in the amount of $6,485,000.

Capital Leases.

The City acquired nine pieces of equipment for governmental activities and two pieces of equipment for business-type activities under a capital lease. To account for the governmental activities portion of the financing lease, the City charges payments made during the fiscal period as debt service in the governmental fund financial statements. In the year that the assets are acquired, the City records the present value of future lease payments as a capital outlay expenditure and as an offsetting other-financing source in the governmental fund financial statements. The present value of payments due in the future periods is shown as a liability, and the gross amount of $ 639,116 is recorded as a capital asset, net of accumulated depreciation of $ 388,457 in the governmental activities column of the government-wide financial statements. For business-type activities, the gross amount of $478,531 is recorded as a capital asset, net of accumulated depreciation of $ 240,441 in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements. Land acquired by capital leases in the amount of $ 1,817,375 is recorded as a capital asset in the governmental activities column of the government-wide financial statements.

In 2018, the City entered into a master equipment lease purchase agreement in the amount of $7,132,000 to fund park improvements, energy savings improvements and public works improvements. As of June 30, 2020, the City has expended $4,058,846 on the energy savings project, $200,942 on park improvements and $1,041,519 on public works improvements. These assets are recorded in construction in progress.

In 2018, the City entered into a second master equipment lease purchase agreement in the amount of $3,988,000 that refunded the Series 2011 Certificates of Participation, a portion of the proceeds of which were used to finance certain equipment. The City will purchase this refinanced equipment through the new capital lease. The refinanced equipment consists of an emergency services radio system and fire truck. Refinanced equipment in the

amount of $2,068,725 is recorded as a capital asset, net of accumulated depreciation of $1,861,852 in the governmental activities column of the government-wide financial statements.

In 2019, the City entered into a third master equipment lease purchase agreement in the amount of $1,000,000 to finance certain equipment and software consisting of an ambulance, public administration software, and CAD/RMS software. Equipment in the amount of $247,797 is recorded as a capital asset, net of accumulated depreciation of $10,325 in the governmental activities column of the government-wide financial statements. Software in the amount of $488,165 was expensed in the current year.

As of June 30, 2020, the minimum obligations under the capital lease agreement are included in the government-wide financial statements of the annual debt service requirements as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2021	$ 1,643,074	$ 136,263
2022	1,671,516	137,305
2023	1,525,983	72,220
2024	1,253,607	68,201
2025	1,257,182	341,087
2026 - 2030	6,170,515	260,580
2031 - 2035	2,809,289	83,747
2036 - 2040	496,079	-
Less: interest	(3,113,772)	(199,817)
Total	$ 13,713,473	$ 899,586

DNR Loan Payable. The City entered into a loan agreement with the Missouri Department of Natural Resources in the amount of $1,092,693 at an interest rate of 4.0% to finance building improvements at the Community Center. The agreement requires semi-annual payments of $47,038 until August 1, 2023, which includes interest.

Bank Loans Payable. The City has two notes for the purpose of funding various capital improvement projects. One loan had a June 30, 2020 balance of $1,055,000 and matures on June 30, 2023 and bears a rate of 3.0%. The other loan is due June 5, 2021, had a June 30, 2020 balance of $266,377, and bears interest at 2.75%.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness (including both general obligation and lease-backed debt) of political subdivisions with boundaries overlapping the City as of June 30, 2020, and the percent attributable (on the basis of assessed valuation) to the City:

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to the City
Clay County	$ 7,113,033	12.31%	$ 875,614
North Kansas City School District #74	301,309,999	17.59	53,000,429

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the City may incur indebtedness for authorized "city purposes" not to exceed 20% of the valuation of taxable tangible property in the City according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the City voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date. Based on the assessed valuation of the City according to Clay County, Missouri, as of August, 2020, the current legal debt limit of the City is $80,046,000. The City has $600,000 of general obligation bonds outstanding as of June 30, 2020, leaving a remaining debt limit of $79,446,000.

Other Long-Term Obligations of the City

Revenue Bonds. In December 2010, the City issued its Taxable Combined Waterworks and Sewerage System Revenue Bonds (Build America Recovery Zone Economic Development Bonds – Direct Pay), Series 2010A in the principal amount of $5,000,000 for the purpose of constructing certain capital improvements to the water portion of the system, which has a current principal amount outstanding of $4,325,000.

Redevelopment Agreement. The City entered into a Redevelopment Agreement with a developer to provide reimbursements for certain site and public improvement costs incurred by the developer for the project. Such site and public improvement costs eligible for reimbursement, subject to certain performance thresholds, totaled $1,400,000. Under the agreement, the City will reimburse the developer up to 75% of the incremental sales taxes increase in years one through three and 50% of the incremental sales taxes increase in years four through fifteen, through fiscal year 2016. In addition, the agreement requires interest to be accrued on outstanding unreimbursed amounts at an annual interest rate of 7.5%. The City is not obligated to reimburse the developer if the incremental sales and property taxes are insufficient to do so.

Future Capital Needs

The City does not as of the date of the Official Statement have any other plans for additional financing for capital improvements during the next two years. The City will continue to evaluate possible opportunities for savings through the issuance of refunding obligations.

FINANCIAL INFORMATION CONCERNING THE CITY

General Description of Financial Practices and Recent Results of Operations

Accounting, Budgeting and Auditing Procedures. The various departments of the City submit their proposed budgets to the City Manager who presents the same to the City Council for approval by July 1 of each year.

The City has for a number of consecutive years received the following two awards for its financial records from the Government Finance Officers Association: Certificate of Achievement for Excellence in Financial Reporting every year since 1977 and Distinguished Budget Presentation Award every year since 1985.

The City follows a modified accrual basis system of accounting for all governmental and agency funds. The accrual basis system of accounting is followed for proprietary funds.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming fiscal year under the direction of the City Manager which is presented to the City Council in June for approval after a public hearing. The City's fiscal year is July 1 through June 30. The budget lists estimated receipts by fund and sources and estimated disbursements by fund and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from City taxes.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The annual audit for the fiscal year ending June 30, 2020 was performed by Berberich Trahan & Co. P.A., Topeka, Kansas. Copies of the audit reports are on file in the Finance Department and are available for review. Attached as *Appendix B* to this Official Statement is the Independent Auditor's Report and General Purpose Financial Statements for the City for the fiscal year ended June 30, 2020.

Risk Management. The City is a member of the Midwest Public Risk of Missouri (MPR), a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool operating as a common risk management and insurance program to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. Losses have not been in excess of premiums in any of the past three fiscal years for the workers' compensation, property and casualty programs.

Employee Relations

The City has a total of 188 full-time personnel in the classified and unclassified service. The Classification Plan provides a grouping by class of all those positions in the City service which are sufficiently alike in duties and responsibilities to be called the same descriptive title, to be accorded the same pay range and require substantially the same qualifications. All employees are compensated in accordance with the rates set for the salary grade to which the position of their class is assigned by ordinance.

The City's firefighters are represented by the International Association of Fire Fighters, Local 3228. The IAFF currently represents 31 of the 39 fire members.

The City has 50 commissioned law enforcement officers. The Fraternal Order of Police, Regional Lodge 50 represents 39 of the 50 officers. The City recognizes two law enforcement groups within this structure: the police officers and corporals unit and the sergeants unit.

Financial Statements

Attached hereto as *Appendix B* is the Independent Auditor's Report and the General Purpose Financial Statements for the City for the fiscal year ended June 30, 2020.

SALES TAX INFORMATION CONCERNING THE CITY

Sales Taxes

The City collects six sales taxes that aggregate 3.0%, all of which were approved by the voters. Beginning in 1972, the City began collecting a 1% sales tax, the receipts of which are used for general operating purposes. Collection of a 0.5% capital improvement sales tax commenced in April 1988. The City began collecting a 0.5% transportation sales tax in April 1996, the receipts of which are used for transportation improvements, including street improvements. The City instituted a 0.25% Park Sales Tax effective July 1, 2006. The City began collecting a 0.25% public safety sales tax effective October 1, 2010.

In April, 2019, the voters of the City approved imposition of an additional 1/2% general sales tax to fund a compensation plan for front line employees, construction for an addition to City Hall for Public Safety, and the remodel of Fire Station #2. The City anticipates that a portion of the Series 2021A Certificates will be repaid from this tax, subject to annual appropriation by the City Council. The collection of this tax did not commence until Fiscal Year 2020.

The City's sales taxes do not have sunset provisions.

Sales Tax Collections

The following table sets forth the sales taxes collected by the City for the fiscal years noted.

Fiscal Year Ended June 30	1% General Operating	.5% Public Safety	0.5% Capital Improvement	0.5% Transportation Improvement	.025% Public Safety	.025% Parks & Stormwater
2020	$3,830,008	$822,054	$1,784,950	$1,784,950	$892,304	$892,469
2019	3,715,035	-	1,740,935	1,740,935	870,443	870,465
2018	3,678,142	-	1,679,756	1,679,756	839,854	839,877
2017	3,790,940	-	1,736,998	1,737,007	868,416	868,533
2016	3,640,830	-	1,701,542	1,701,543	850,576	850,769

PROPERTY TAX INFORMATION CONCERNING THE CITY

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed annually by the County Assessor of Clay County. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City as of August, 2020 (per Clay County, Missouri):

	Assessed Valuation	Assessment Rate	Estimated Actual Valuation
Real Estate			
Commercial	$ 269,432,490	32.00%	$ 841,976,531
Agricultural	$ 30,020	12.00%	$ 250,167
Residential	$ 55,524,270	19.00%	$ 292,233,000
Total Real Estate	$ 324,986,780		$ 1,134,459,698
Personal Property	$ 60,034,927	33.33%	$ 180,122,793
Supplemental Personal			
Added Individual Personal			
Business Personal			
Supplemental Business Personal			
Added Business Personal			
Railroad & Utility (Local Real)	$ 172,270	32.00%	$ 538,344
(Local Personal)	$ 137,341	33.33%	$ 412,064
Railroad & Utility (State Real)	$ 12,942,593	32.00%	$ 40,445,603
(State Personal)	$ 1,956,090	33.33%	$ 5,868,857
Total Current Valuation	$ 400,230,001		$ 1,361,847,359

Source: Clay County Clerk

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City according to the assessments of January 1 in each of the following years, has been as follows:

Year	Assessed Valuation	Percentage Change
2020	$398,904,000	8.40%
2019	367,838,000	(0.06)
2018	368,042,000	5.80
2017	347,860,000	(0.74)
2016	350,468,000	3.01

Property Tax Levies and Collections

Tax Collection Procedures. Property taxes are levied and collected by Clay County, Missouri, and then remitted to the City.

The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk.

An amendment to the Missouri Constitution commonly known as the Hancock Amendment approved in 1980 places limitations on total state revenues and the levying or increasing of taxes without voter approval. The operating levy (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1984 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds, if any, is exempt from the calculations of and limitations upon the tax rate ceiling.

The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

Taxes are due by December 31 and become delinquent if not paid to the City Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of fourteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year. Because of the tax collection procedure described above, the City receives the bulk of its money from local property taxes in the months of December, January and February.

Tax Rates

Operating Levy. The current operating levy of the City is $0.9290 per $100 of assessed valuation. The operating levy does not require annual voter approval but the City Council cannot raise the rate above that approved in the last election.

Debt Service Levy. The City's current debt service levy is $0.00 per $100 of assessed valuation. Once indebtedness has been approved by the required majority of the voters voting therefor and bonds are issued, the City has the power at any time under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Tax Collection Record

The following table sets forth tax collection information for the City for the years noted.

Fiscal year Ended June 30	Total Levy	Total Taxes Levied	Current Taxes Collected Amount	Current Taxes Collected %	Current & Delinquent Taxes Collected Amount	Current & Delinquent Taxes Collected %
2020	$0.9290	$3,490,000	$3,279,294	93.96%	$3,279,294	93.96%
2019	0.9290	3,416,601	3,348,876	98.02	3,391,187	99.26
2018	0.9290	3,418,503	3,285,320	96.10	3,347,312	97.92
2017	0.9290	3,231,619	3,114,848	96.39	3,188,905	98.68
2016	0.9290	3,241,997	3,125,385	96.40	3,204,027	98.83

Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City as of June 30, 2020:

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation[1]
1. Wal-Mart Real Estate	Retail	$2,649,000	0.72%
2. CCRC of Gladstone, LLC	Apartments	2,467,000	0.67
3. Gladstone Investors, LLC	Retail	2,090,000	0.57
4. Gladstone Meadows	Apartments	1,540,000	0.42
5. Intercontinental Investment Co.	Apartments	1,456,000	0.40
6. ECG-Kansas City-III, LLC	Apartments	1,291,000	0.35
7. Curry Investment Company	Apartments	1,255,000	0.34
8. Gladstone Senior Partners, LP	Apartments	1,227,000	0.33
9. Axiom	Apartments	1,120,000	0.30
10. Meadowbrook Village	Retail	1,056,000	0.29
		$16,151,000	4.39%

Source: City of Gladstone 2020 Annual Budget

[1] Does not include railroad and utilities.

APPENDIX B

INDEPENDENT AUDITOR'S REPORT

AND

THE CITY'S AUDITED FINANCIAL STATEMENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



YEAR ENDED
JUNE 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Prepared By:
Department of Finance
Director of Finance
Dominic Accurso

YEAR ENDED
June 30, 2020

CITY OF GLADSTONE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020

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CITY OF GLADSTONE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020

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CITY OF GLADSTONE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020

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INTRODUCTORY SECTION

CITY OF GLADSTONE, MISSOURI

PRINCIPAL OFFICIALS

CITY COUNCIL

Jean Moore, Mayor

R.D. Mallams, Mayor Pro-Tem
Tom Frisby
Bill Garnos
Tina Spallo

ADMINISTRATION

Scott Wingerson, City Manager

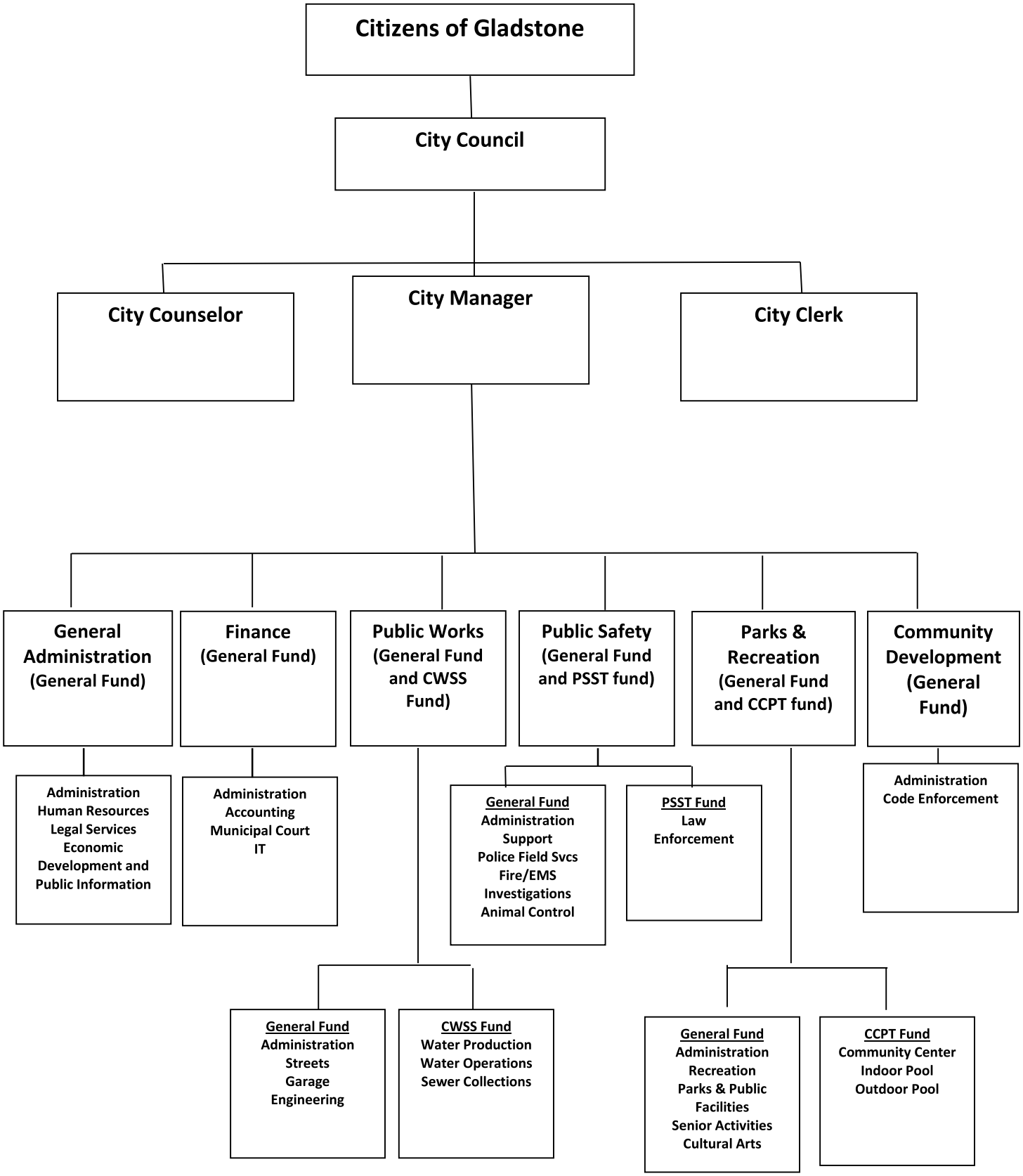
CITY COUNSELOR

Williams & Campo, P.C.

FINANCE DEPARTMENT

Dominic Accurso, Director of Finance

Organizational Chart



December 18, 2020

The Honorable Mayor,
Members of the City Council
and the Citizens of Gladstone Missouri:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Gladstone (City) for the fiscal year ended June 30, 2020. This report has been prepared according to the reporting requirements as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

Generally Accepted Accounting Principles (GAAP) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with MD&A. The City of Gladstone's MD&A can be found immediately following the Independent Auditors' Report.

The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

THE FINANCIAL REPORTING ENTITY

Primary Government - The City of Gladstone is a suburban community located in Clay County, Missouri, and within the northern sector of the Kansas City Metroplex. Incorporated in 1952, the population of Gladstone was 2,500. As of the 2010 Census, the population of Gladstone is 25,410. This population is located within the 9 square mile area that Gladstone encompasses, resulting in the City being approximately 97% developed.

Gladstone operates as a statutory third-class city with a Council-Manager form of government. Registered voters within the City elect five individuals at-large to serve staggered three-year terms as their representatives on the City Council. Each year the City Council selects a Mayor from among its members. The Council is responsible for appointing a City Manager to serve as the Chief Executive Officer of the City.

As required by accounting principles generally accepted in the United States of America, the only basic financial statements presented are the City's (the primary government). The City has one component unit that is discretely presented, the Gladstone Special Road District No. 3. It provides street maintenance and repair functions in the City even though it is a separate legal entity. For additional information please reference note 1 in the notes to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

Gladstone has traditionally viewed itself as a bedroom community, offering convenient services, comfortable living conditions, and a variety of outstanding residential neighborhoods. These neighborhoods, when combined with an active community spirit, excellent school system, and a low crime rate, create a favorable standard of living for Gladstone citizens. The local government is cognizant of this fact and strives to maintain and enhance this standard of living enjoyed by its citizens. The mission statement of the City is "The City Council Boards, Commissions, and City Staff are dedicated to enhancing Gladstone's quality of life and sense of community through effective leadership and citizen engagement." Organizational goals include promoting Gladstone as a safe place, continuing the implementation of all master plans, commitment to downtown and commercial corridors through innovative strategies and partnerships and defining and pursuing opportunities for comprehensive community health.

Gladstone's commercial base is located along two main corridors, North Oak Traffic way on the west and Antioch/Prospect Rd. on the east, and is comprised of service and retail businesses with few industrial businesses. The estimated average household income is $77,535. Because of the concentration of population within the Gladstone City limits, Gladstone's average income, and current re-development initiatives, the commercial sales tax base of the City has remained relatively stable. Total taxes increased 0.3% in the current fiscal year. This increase in total taxes resulted from the increase in real estate valuation.

The COVID-19 pandemic brought a new economic and social uncertainty during the fiscal year. Some businesses had to temporarily close and make adjustments to their business models to continue operations. The City responded quickly and was able to postpone public events, gatherings, municipal court, and other programs. Clay County was able to disburse CARES Act funding to the City to assist with COVID related expenditures. Sales and use tax collections were briefly affected due to the temporary shutdown, but quickly rebounded. City programs that were affected the most were the Community Center, municipal pool, senior activities, municipal court, emergency medical transportation, and athletic leagues.

MAJOR INITIATIVES

Shaping our Future - In 2003, the National Civic League partnered with the City to facilitate conversations and meetings through which Gladstone residents identified key priorities and charted the community's course for the next 15 years. The group, Gladstone on the Move, led the City and community partnering to design and build the Community Center, develop Linden Square and create the Gladstone Leadership Academy, along with many other changes.

In 2014, after achieving many of the key goals from Gladstone on the Move, the City was ready to re-engage Gladstone residents to develop a new strategic plan that would build upon the accomplishments of Gladstone on the Move. With the assistance of the National Civic League, Shaping our Future was created. Throughout the process, Gladstone residents led the way defining the vision, establishing goals and balancing competing priorities. In 2017, with the support of the National Civic League and City staff, the group decided to focus on two key areas: Public Health and Safety and Quality of Life and Economic Development.

Since receiving the Shaping our Future report, the City staff and Shaping our Future have begun to make the vision a reality. To address both public health and safety and quality of life and economic development, one of the top priorities is to construct a new police station or a significant addition and renovation to City Hall. Total estimated cost of this project is $12 million. Another goal from the Shaping Our Future initiative is to renovate and expand Fire Station #2. This $2 million project will consist of improvements to the living quarters, upgrades to the HVAC, electrical systems, and correction of other maintenance issues.

In April of 2019, a ½ cent general fund sales tax was passed by an overwhelming majority of the Gladstone voters. The new revenue will generate approximately $1.7 million per year. $1 million of the sales tax will pay for the debt service on the construction of the police station and fire station. The remaining $700,000 will be used to fund a recruitment and retention program that was implemented in 2019.

Downtown Gladstone - Gladstone began to develop a downtown with the completion of a new 81,000 sq. ft. Community Center that includes recreational as well as a competitive natatorium with seating for 1,800 spectators. The overwhelming support of the voters and the unique partnership with the North Kansas City School District (NKCSD) provided the City with the means necessary to plan, design and construct this Community Center and Natatorium, as well as totally renovate an existing outdoor pool located adjacent to the new facilities. The City received the MML Innovations Award for its cooperative partnership with NKCSD for construction of the natatorium.

The Linden Square Amphitheatre and Skating Rink projects were completed and resulted in numerous awards including the Urban Land Institute 2014 Development of Distinction, the Kansas City Business Journal Capstone Award for Community Impact, the Clay County Economic Development Commission Keystone Award, and finally the American Society of Landscape Architects Award for Land Use. The Heights at Linden Square is a mixed use development adjacent to Linden Square. It is a $28 million luxury residence complex with 222 apartments and 10,000 sq. ft. of storefront retail space. The Heights at Linden Square has received local and national awards for progress in the reduction of environmental impacts and use of environmental efficiency practices as well as the Capstone Award for mixed-use.

Northland Innovation Center is part of the ongoing downtown development for Gladstone. The project itself provides for 150,000 square feet of Class A office space initially. This space is occupied by Northland CAPS (Center for Advanced Professional Studies), North Kansas City Schools SAGE (Students in Academically Gifted Education) program, class space for Northwestern Missouri State University and other educational components. The Northland Innovation Center received the Excellence in Design Award from Design-Build Institute of America's Mid-America Region.

New additions to the downtown landscape include two new restaurants and entrepreneurial workspaces. In December of 2018, Summit Grill opened in the retail space of the Heights at Linden Square. Stone Canyon Pizza relocated from Zona Rosa to downtown Gladstone in July of 2019. iWerx and DesignWerx are entrepreneurial development centers offering private office space and a collaborative environment for entrepreneurs and contractors. iWerx has completed their renovation on a 30,000 square foot, 40 year old downtown building. One of the newest projects in the downtown district is the construction of a Fairfield Inn & Suites by Marriot. The 67,000 square foot 110 room hotel is scheduled to open in 2021 giving visitors a place to stay while in the area.

LONG TERM FINANCIAL PLANNING

Two of the City's many strengths are fiscal policy and financial condition. Staff works diligently to plan and budget conservatively while providing a high level of services and programs to the citizens of the City of Gladstone and surrounding area. Staff uses trend and regression analysis, consultants, and monitors the local and regional economic conditions to form assumptions and projections.

The business mix and property within the City provide for a stable and growing economy. Sales tax has steadily increased and is projected to increase steadily over the next five years. Use tax is also projected to grow with increasing internet sales and a favorable Wayfair decision. Real and personal property tax collections also continue to steadily grow and are projected to continue to increase over the next five years due to increased property valuations. Gross receipts taxes have declined and are projected to decline into the future.

Expenditures for the City also continue to increase mainly due to personnel costs. These increases have been mitigated by changes to staffing and other creative cost saving solutions. Overall the City has been able to maintain a strong net position well over the 20% minimum unassigned General Fund balance.

The 2021 fiscal year will be the first year of collecting a new ½ cent General Sales tax for the entire year. The sales tax is estimated to bring in an additional $1.7 million in sales tax revenue annually. A portion of the sales tax ($700,000 per year) will be used to support the employee compensation plan adopted during the 2020 fiscal year. The remaining $1 million will be transferred to the Capital Improvement Plan (CIP) to pay debt service on a new Public Safety Headquarters and fire station renovation. The Series 2020A Certificates of Participation (COP) was issued in October of 2020 to fund the Fire Station renovation along with other capital projects including a new fire truck, acceleration of water main replacements, Community Center improvement, Municipal Pool renovation, and street projects.

The City updates the five year Capital Improvement Plan every year. Expenditures in the CIP include storm water, parks, facility, streets, sidewalk, and trail projects as well as debt service. The City has taken advantage of historically low interest rates to build or improve facilities, parks, streets, and infrastructure. Staff has also secured grant funding from the Department of Natural Resources and the Department of Transportation to assist in funding the CIP. Grant funding through 2025 is estimated to be $2.1 million. Future projects to be completed from the CIP are the new Oak Grove park concession area and restrooms, Public Safety Headquarters, fire station renovation, phase 2 of the Rock Creek Greenway Trail, and the Linden Connector Trail, along with several lane miles of mill and overlay, sidewalks, curb, and gutter. Project expenditures through the end of the 2025 fiscal year are projected to be $11.7 million.

The above listed projects and awards, in addition to the stabilizing economy overall, suggest stable economic forecasts for Gladstone throughout the next decade. The City will continue to investigate methods of expanding the economic base for the community as well as exploring economic and community development programs that will benefit the City.

FINANCIAL CONTROLS

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. City Management must also ensure that adequate accounting data is compiled to allow for the preparation of accurate financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accounting records for the City's general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when measurable and available and expenditures being recorded when the liability is incurred. The City's accounting records for proprietary funds are maintained on the accrual basis.

The City maintains specific budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service fund, capital projects funds, and proprietary fund are included in the annual appropriated budget. The legal level of budgetary control, which cannot legally exceed the appropriated amount, is established at the fund total; however, equal transfers between line items within a fund may be approved by the City Manager.

The City maintains an encumbrance accounting system as a budgetary control technique. Encumbrances reserve appropriations, which have been obligated through purchase orders or contractual documents. Encumbered amounts lapse at year-end; however, they are generally re-appropriated as part of the following year's budget.

It is a priority of the City to maintain and improve existing infrastructure. A vital element for managing both of these priorities is the development and maintenance of the City's infrastructure through capital improvements. The management of the City's Capital Improvements Program is controlled through the use of a long-range plan approved in concept by the Mayor and City Council. The Capital Improvements Program projects the City's capital improvement needs for a five-year period and is reviewed and updated annually.

The management and accounting of this plan is controlled through the use of capital projects funds. The primary sources of financing these improvements include sales tax, certificates of participation bonds, City budgeted funds, and revenue from federal and state grants.

OTHER INFORMATION

Certificates of Achievement - The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the CAFR for the fiscal year ended June 30, 2019. The City has been the recipient of this award since 1977.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A certificate is valid for a period of one year. We believe our 2020 report continues to conform to Certificate of Achievement Program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

Acknowledgments - The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. In addition, I would like to recognize and thank the City's audit firm of BT&Co., P.A. of Topeka, Kansas.

In closing, I would also like to thank the Mayor, Members of the City Council, and City Manager for their commitment to planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Dominic Accurso

Dominic Accurso
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gladstone
Missouri

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Gladstone, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gladstone, Missouri (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 18, 2020
Topeka, Kansas

City of Gladstone, Missouri
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

This discussion and analysis of the City of Gladstone's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Gladstone is a mature city with approximately 97% of the land developed. As a result, redevelopment remains a focus of the City. While economic factors slowed the rate of redevelopment after 2008, recent bond issues and the improved economy have revived reinvestment in Gladstone. Redevelopment continues to enhance the stability of the City and the services it provides. The City provides a full range of governmental and proprietary services, including streets, water, sewer treatment, police, fire, and emergency medical service. This results in a greater volume of transactions and values than other cities of comparable size.

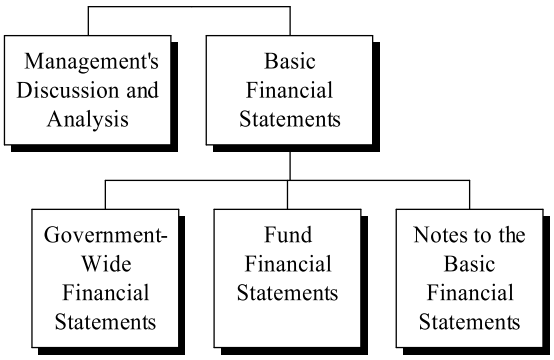
- Approximately 65% or $6,921,717 of the combined governmental fund balances of $10,682,182 is unassigned and available for meeting on-going general government expenditures.
- The assets and deferred outflows of resources of the City of Gladstone exceeded its liabilities and deferred inflows at the close of the fiscal year by $78,542,069.
- The City's total net position decreased by $8,894 primarily due to the net pension asset changing to a net pension liability.
- As of the close of the current fiscal year, the City of Gladstone's governmental funds reported combined ending fund balances of $10,682,182 a decrease of $786,558 in comparison with the prior year. The decrease in governmental funds is due to the completion of Pleasant Valley Road, Old Pike Road, and the draw down from lease purchase funds.
- General Fund revenues increased for FY20 due to an increase in intergovernmental revenue and the additional ½ cent general sales tax. Compared to FY19, total FY20 revenues in the General Fund increased by $1,091,670.

Overview of the Financial Statements

The City of Gladstone's basic financial statements are composed of three sections:

- Introductory section, which includes the transmittal letter and general information.
- Financial section, which includes the independent auditors' report, management's discussion and analysis, the basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements, required supplementary information, and other supplementary information.
- Statistical information.

Required Components of Annual Financial Report
Figure 1



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government Wide-Financial Statements**. The Government-Wide Financial Statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The Government-Wide Financial Statements provide short and long-term information about the City's financial status as a whole.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the Government-Wide Financial Statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the **Notes to the Basic Financial Statements**. The notes to the basic financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Gladstone's finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all the City of Gladstone's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City of Gladstone is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish between the City's functions that are mainly supported by taxes and intergovernmental revenues and other functions that are intended to recover all or a portion of their costs through user fees and charges. The governmental activities of the City of Gladstone include General Administration, Finance, Public Safety, Public Works, Community Development, and Parks & Recreation. The Combined Waterworks and Sewer System Fund is the only business-type activity.

Fund Financial Statements

The City uses two types of funds to manage its resources: governmental funds and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental Funds – Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Governmental Fund Statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationships or differences of activities reported in the Governmental Fund Financial Statement versus that reported in the Government-Wide Financial Statements are explained in the reconciliation schedules following the Governmental Fund Financial Statements.

Proprietary Funds – When the City charges customers for the services it provides to cover the cost of operations, these activities are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the Basic Financial Statements – The notes provide additional information essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules and schedules of funding progress concerning the City's obligation to provide pension and other post-employment benefits to its employees.

Government-Wide Financial Analysis

Net position may serve over time as one useful indicator of a government's financial condition. For the City of Gladstone, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $78,542,069 as of June 30, 2020. Following is a condensed version of the government-wide statement of net position comparing fiscal year 2020 and 2019.

City of Gladstone's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	$ 19,628,722	$ 17,126,610	$ 6,464,688	$ 6,263,419	$ 26,093,410	$ 23,390,029
Capital assets	81,212,482	81,535,376	22,406,593	22,485,708	103,619,075	104,021,084
Total assets	100,841,204	98,661,986	28,871,281	28,749,127	129,712,485	127,411,113
Deferred outflows	903,291	2,060,426	120,599	171,175	1,023,890	2,231,601
Other liabilities	3,149,937	3,989,716	1,834,366	1,903,822	4,984,303	5,893,538
Long-term debt	39,643,799	39,286,379	4,765,733	4,162,159	44,409,532	43,448,538
Total liabilities	42,793,736	43,276,095	6,600,099	6,065,981	49,393,835	49,342,076
Deferred inflows	2,502,985	1,594,827	288,592	163,742	2,791,577	1,758,569
Net Position:						
Net investment in capital assets	46,993,069	47,490,792	17,925,744	18,852,287	64,918,813	66,343,079
Restricted	5,263,177	2,283,043	417,385	370,000	5,680,562	2,653,043
Unrestricted	4,191,528	6,077,655	3,760,060	3,468,292	7,951,588	9,545,947
Total net position	$ 56,447,774	$ 55,851,490	$ 22,103,189	$ 22,690,579	$ 78,550,963	$ 78,542,069

Total assets for the City as a whole are $127,411,113. This includes $98,661,986 for governmental activities and $28,749,127 for business-type activities. Of these total assets, $104,021,084 is capital assets and $23,390,029 is classified as current and other assets. For governmental activities, $81,535,376 is capital assets and other assets total $17,126,610. The decrease in current and other assets is due to the change in the net pension asset changing to a net pension liability and the increase in capital assets is due to the addition of infrastructure and building improvements. Capital assets for business-type activities are $22,485,708 and other assets are $6,263,419. The decrease in current and increase in capital assets is due to the water main replacement project.

Total liabilities for the City as a whole are $49,342,076. This includes $43,276,095 for governmental activities and $6,065,981 for business-type activities. Of these total liabilities, $43,448,538 is long-term liabilities and $5,893,538 is other liabilities. For governmental activities, $39,286,379 long-term and $3,989,716 is other liabilities. The increase in other liabilities is due to the unspent CARES Act funding. Long-term liabilities for business-type activities are $4,162,159 and other liabilities are $1,903,822. The majority of the long-term liabilities are for debt issued for major capital projects.

Total net position for the City as a whole is $78,542,069. This includes $55,851,490 for governmental activities and $22,690,579 for business-type activities. Of the total net position, $9,545,947 is unrestricted net position, $6,077,655 for governmental activities and $3,468,292 for business-type activities. Net position invested in capital assets net of related debt is $66,343,079. The majority of this capital investment is in governmental activities, which is expected given the large capital investment the City has in its infrastructure. For governmental activities, $47,490,792 is invested in capital assets, net of related debt. For business-type activities, $18,852,287 is invested in capital assets, net of related debt.

A large portion of the City of Gladstone's net position (85%) reflects the City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City of Gladstone uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Gladstone's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Gladstone's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $9,545,947 or 12% is unrestricted.

City of Gladstone's Changes in Net Position
Figure 3

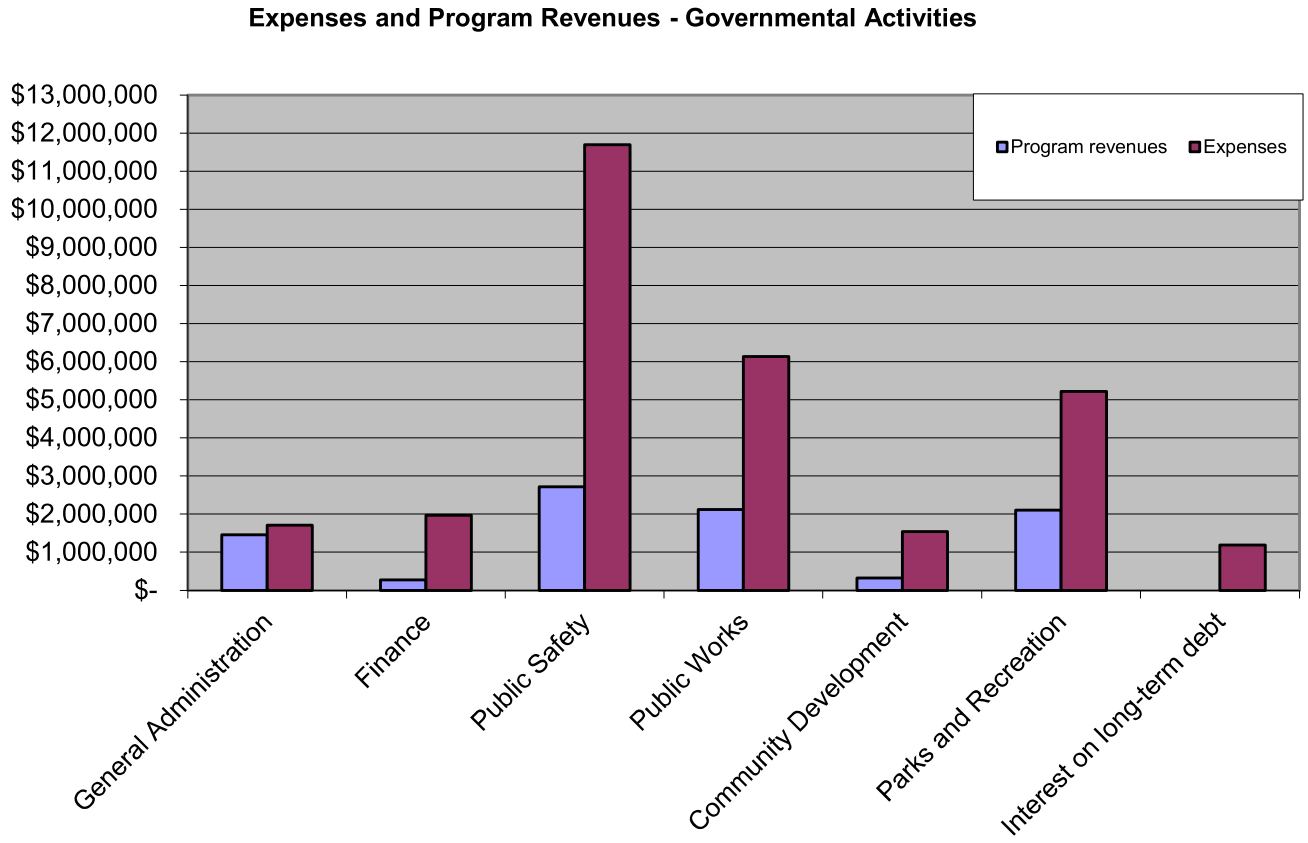
	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	$ 6,778,078	$ 5,555,934	$ 10,524,964	$ 10,803,438	$ 17,303,042	$ 16,359,372
Operating grants and contributions	188,165	1,310,286	53,543	44,907	241,708	1,355,193
Capital grants and contributions	1,490,198	2,255,398	-	-	1,490,198	2,255,398
General revenues:						
Property taxes	3,595,664	3,609,023	-	-	3,595,664	3,609,023
Sales tax	9,543,702	10,956,925	-	-	9,543,702	10,956,925
Franchise tax	3,153,189	2,900,983	-	-	3,153,189	2,900,983
Other taxes	1,147,000	1,137,552	-	-	1,147,000	1,137,552
Unrestricted investment earnings	285,137	144,703	75,613	41,137	360,750	185,840
Gain on sale of capital assets	-	4,286	21,250	1,400	21,250	5,686
Other	1,071,927	922,155	9,175	4,805	1,081,102	926,960
Total revenues	27,253,060	28,797,245	10,684,545	10,895,687	37,937,605	39,692,932
Expenses:						
General Administration	1,627,689	1,706,717	-	-	1,627,689	1,706,717
Finance	1,760,928	1,966,902	-	-	1,760,928	1,966,902
Public Safety	10,433,075	11,694,907	-	-	10,433,075	11,694,907
Public Works	4,875,857	6,132,892	-	-	4,875,857	6,132,892
Community Development	1,474,100	1,535,028	-	-	1,474,100	1,535,028
Parks and Recreation	5,614,862	5,222,345	-	-	5,614,862	5,222,345
Waterworks and sewerage	-	-	9,814,772	10,258,297	9,814,772	10,258,297
Interest on long-term debt	1,204,735	1,184,738	-	-	1,204,735	1,184,738
Total expenses	26,991,246	29,443,529	9,814,772	10,258,297	36,806,018	39,701,826
Change in net position before transfers	261,814	(646,284)	869,773	637,390	1,131,587	(8,894)
Transfers	-	50,000	-	(50,000)	-	-
Change in Net Position	261,814	(596,284)	869,773	587,390	1,131,587	(8,894)
Net position, July 1	56,185,960	56,447,774	21,233,416	22,103,189	77,419,376	78,550,963
Net position, June 30	$ 56,447,774	$ 55,851,490	$ 22,103,189	$ 22,690,579	$ 78,550,963	$ 78,542,069

The City's net position decreased by $8,894 for the fiscal year ended June 30, 2020. In comparison, the City's net position increased by $1,131,587 for the fiscal year ended June 30, 2019.

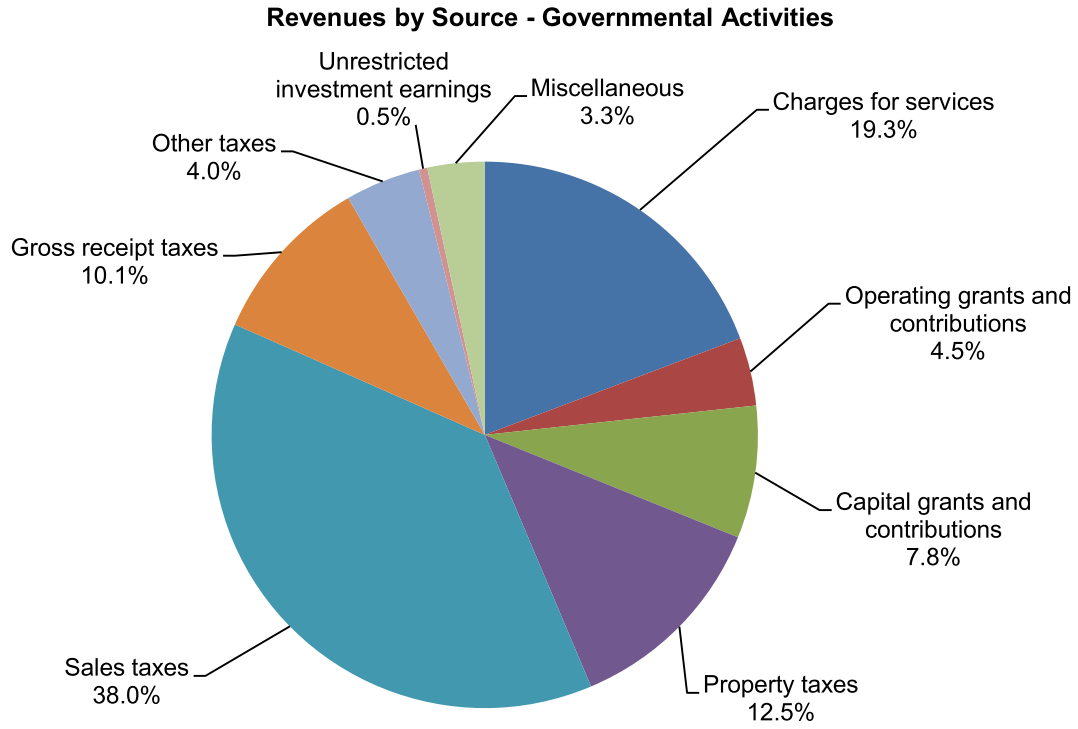
To determine the functional cost of the City, the Statement of Activities demonstrates the net cost of each major activity of the City. The purpose of this statement is to measure the gross expenses of $39,701,826 (including depreciation charges), against charges for services and grants and contributions of $19,969,963. The end result is a net cost of $19,731,863 to the taxpayers. In 2020, property taxes funded $3,609,023 of these costs; sales tax funded $10,956,925 of these costs, while other taxes, interest earnings, and other miscellaneous revenues and transfers totaling $5,157,021 covered the remaining costs.

Governmental Activities Governmental activities decreased the City's net position by $596,284. This change is due to the drawdown of lease purchase funds for transportation projects and the effects of COVID-19.

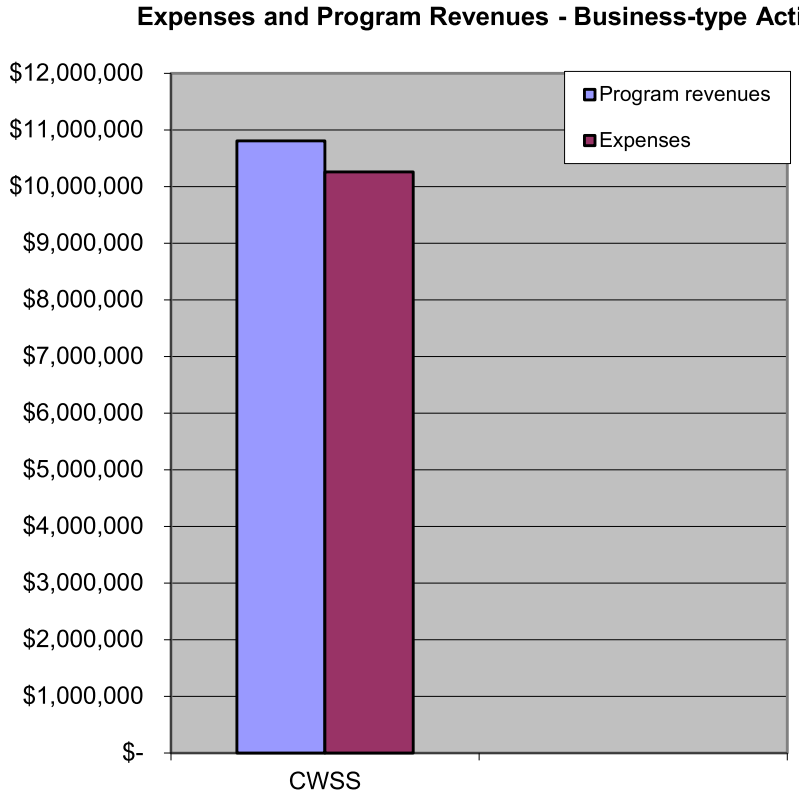
The following chart compares FY20 expenses with program revenues for the various governmental activities of the City. This comparison also highlights the fact that the City provides considerable services such as public safety as well as city road and storm water infrastructure that are not funded by service charges.



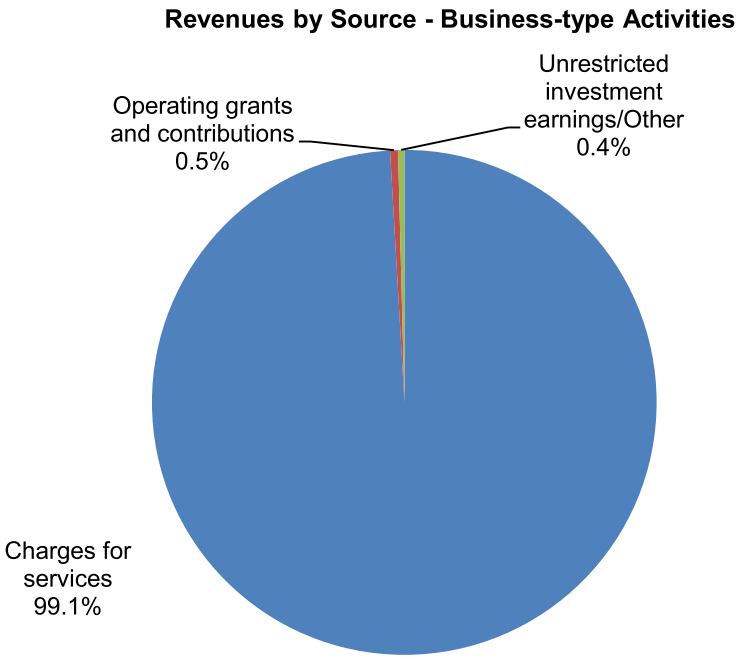
The following graph shows the composition of 2020 revenues for the governmental activities.



Business-type Activities Business-type activities increased the City's net position by $587,390 primarily due to an adjustment in water and sewer charges. This increase is $282,383 less than the increase in FY19. This chart shows that the services of CWSS are funded completely by program revenues.



The following graph shows the composition of 2020 revenues for the business-type activities.



Financial Analysis of the City's Major Funds

As noted earlier, the City of Gladstone uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Gladstone's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Gladstone's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund. The general fund is the chief operating fund of the City of Gladstone. Total revenue increased $1,091,670 over the previous year. The 2020 fiscal year was the first year for the collection of a new ½ cent sales tax to fund a new Public Safety Headquarters, renovation of one of the fire stations, and a compensation plan for front line employees. Property taxes continue to show increases offset by decreases in wireless and telecom franchise taxes. The COVID-19 pandemic caused charges for services and fines and forfeitures to decrease while CARES Act funding provided an increase in intergovernmental revenue. Expenses have increased mainly due to increases in personnel costs and the drawdown of lease purchase funds. Decreases in Parks and Recreation expense are mainly due to the impact of COVID-19 (corresponding decrease in charges for services). At the end of the current fiscal year, total fund balance of the General Fund was $7,580,850, an increase of $1,557,593 from the beginning balance of $6,023,257. The unassigned general fund balance at year-end was $6,921,717 or 91% of the total fund balance.

Community Center Park Tax Fund. This fund is the chief operating fund of the Community Center. While sales tax revenue increased over the previous year, charges for service, interest, and other revenue decreased mainly due to the pandemic. Expenses have decreased over prior year due to the temporary closure of the Community Center and limited programing due to the pandemic. At the end of the current fiscal year, total fund balance of the Community Center Park Tax Fund was $1,118,960, a decrease of $480,488 over the beginning balance of $1,599,448. The combined nonspendable and restricted fund balance at year-end was $1,118,960 or 100% of the total fund balance.

Transportation Sales Tax. Revenue for the Transportation Sales Tax fund increased due to the receipt of grant funds for the Old Pike Road, Shoal Creek Trail projects and sales tax. Expenses had a corresponding increase due to the construction projects. The fund balance of the Transportation Sales Tax Fund had a net decrease of $2,193,204 and an ending fund balance of $410,571. The decrease is primarily due to the spenddown of lease purchase funds and the close out of the Pleasant Valley Road Project (joint project between the City of Gladstone and Kansas City).

As of the close of the current fiscal year, the City of Gladstone's governmental funds reported combined ending fund balances of $10,682,182, a decrease of $786,558 in comparison with the prior year. The decrease is primarily due to the spenddown of lease purchase funds and capital outlay expenditures.

Proprietary Fund. The City of Gladstone's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail. The City's proprietary fund is the Combined Waterworks and Sewerage System Fund. The increase in revenue is due to an increase in sewer rates. Expenses continue to increase mainly due to the increases in the cost of sewer treatment charges. Total net position of the Combined Waterworks and Sewerage System Fund at the end of the fiscal year amounted to $22,690,579. The waterworks and sewerage system increased net position by $587,390. This was primarily due to increased water usage while during the pandemic.

General Fund Budgetary Highlights

Each fiscal year, the City formally adopts its budget prior to the beginning of the fiscal year. A mid-year review is performed after six months to re-appropriate unspent funds that are needed and evaluate the existing budget. This results in the re-appropriated budget being amended to a final budget taking into account mid-year adjustments.

On a budgetary basis, which can be found in the Required Supplementary Information, the actual revenues and other sources over actual expenditures and other uses resulted in a positive balance of $1,558,875. The FY 2020 final budget for expenditures is the same as the FY 2020 original budget. Staff thought best that due to the pandemic, an internal budgetary restriction on expenditures was enforced but did not amend the budget to give the City flexibility in the event of an emergency.

In comparing FY20 final budget to actual revenues and expenses there was an overall positive variance of $1,549,550. Revenues and other financing sources were under final budget by $1,013,828 and expenditures and other financing uses came in under budget by $2,563,378 resulting in a net positive variance of $1,549,550. The variance is primarily due to the uncertainty of the COVID-19 pandemic and how it would affect the revenues and expenditures of the City.

Capital Asset and Debt Administration

Capital assets. The amount invested in capital assets for the City at June 30, 2020, is $104,021,084 net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2020 and prior years. Major capital asset additions during the year include construction in progress for projects consisting of street, storm water, and water and sewer projects. Additional information on the City's capital assets can be found in Note 7 to the Basic Financial Statements.

The following table breaks down the City's capital asset balance into the various categories of assets.

City of Gladstone's Capital Assets
(Net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land and land rights	$ 9,774,142	$ 9,789,169	$ 412,258	$ 412,258	$ 10,186,400	$ 10,201,427
Buildings	24,723,173	23,355,072	1,841,350	1,749,467	26,564,523	25,104,539
Improvements	6,043,123	7,505,876	-	-	6,043,123	7,505,876
Machinery and equipment	2,236,828	1,926,535	582,828	519,992	2,819,656	2,446,527
Infrastructure	27,963,942	33,211,167	19,547,144	18,741,658	47,511,086	51,952,825
Construction in progress	10,471,274	5,747,557	23,013	1,062,333	10,494,287	6,809,890
Total	$ 81,212,482	$ 81,535,376	$ 22,406,593	$ 22,485,708	$103,619,075	$104,021,084

Long-term Debt. As of June 30, 2020, the City of Gladstone had outstanding debt obligations of $43,448,538, a decrease of $960,994 from the previous year-end.

City of Gladstone's Outstanding
Debt Obligations

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Capitalized leases	$ 14,011,398	$ 13,713,473	$ 1,006,500	$ 899,586	$ 15,017,898	$ 14,613,059
General obligation bonds	800,000	600,000	-	-	800,000	600,000
Certificates of Participation	20,016,242	18,459,554	1,246,734	1,008,835	21,262,976	19,468,389
Compensated absences	2,790,737	3,060,913	138,815	110,475	2,929,552	3,171,388
LAGERS liability	-	1,405,233	22,626	331,070	22,626	1,736,303
OPEB liablilty	324,249	425,706	76,058	87,193	400,307	512,899
Revenue bonds	-	-	2,275,000	1,725,000	2,275,000	1,725,000
DNR loan payable	379,796	300,123	-	-	379,796	300,123
Bank loans payable	1,321,377	1,321,377	-	-	1,321,377	1,321,377
Total	$ 39,643,799	$ 39,286,379	$ 4,765,733	$ 4,162,159	44,409,532	$ 43,448,538

The City of Gladstone received an AA and AA- bond rating for the three most recent bond issues assigned by Standard & Poor's. These ratings were reaffirmed by Standard & Poor's in a follow up review. This is a clear indication of the sound financial condition of the City of Gladstone. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

Missouri statutes limit the amount of general obligation debt that a unit of government can issue up to twenty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt margin for City of Gladstone is $79,180,705. The City currently has $600,000 of general obligation debt outstanding as of June 30, 2020. Additional information regarding the City of Gladstone's long-term debt can be found in Note 8 to the Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

The City, utilizing the theme "Progress Through People," is working through the community to create and implement economic and community development plans that include avenues for both commercial growth, continued stability, sustainability, and integrity in residential neighborhoods.

Gladstone was awarded the 2008 All-American City award. City Management also received additional awards such as the ICMA Strategic Governance Award for Creative Leadership and Planning Strategies, the 2012 Jay T Bell Award, and the 2014 Rick Noll Award for Leadership. In 2016, the City received the gold level for Communities for All Ages, recognizing steps taken to become a more vibrant, healthy and prosperous community. In 2018, Gladstone received the Keystone Award by the Clay County Economic Development Council recognizing the City's significant contribution to Clay County's economy and quality of life. These awards demonstrate the advanced level of strategic planning for the community and positively influence the future of the City of Gladstone.

In 2014, after achieving many of the key goals from Gladstone on the Move, the City was ready to re-engage Gladstone residents to develop a new strategic plan that would build upon the accomplishments of Gladstone on the Move. With the assistance of the National Civic League, Shaping our Future was created. Throughout the process, Gladstone residents led the way defining the vision, establishing goals and balancing competing priorities. In 2017, with the support of the National Civic League and City staff, the group decided to focus on two key areas: Public Health and Safety and Quality of Life and Economic Development.

Since receiving the Shaping our Future report, the City staff and Shaping our Future have begun to make the vision a reality. To address both public health and safety and quality of life and economic development, one of the top priorities is to construct a new police station or a significant addition and renovation to City Hall. Total estimated cost of this project is $12 million. Another goal from the Shaping Our Future initiative is to renovate and expand Fire Station #2. This $2 million project will consist of improvements to the living quarters, upgrades to the HVAC, electrical systems, and correction of other maintenance issues.

Projects completed during the 2020 fiscal year include the mill and overlay of 10.3 lane miles of streets throughout the city. The City also replaced over 3,800 feet of water mains and 400 feet of sanitary sewer lines throughout the year. Construction is complete on the Old Pike Road project with funding assistance through the Department of Transportation. A joint venture between Gladstone and Kansas City with funding assistance from the Department of Transportation is the Shoal Creek Trail. Additional projects where City staff has been able to leverage federal funding is the 76th Street and Linden Connector projects. Other projects in various stages of design include the renovation of the municipal pool bath house, Community Center improvements, downtown parking study, and approximately $2.5 million in water main replacements, and various parks projects across the City.

New additions to the downtown landscape include two new restaurants and entrepreneurial workspaces. In December of 2018, Summit Grill opened in the retail space of the Heights at Linden Square. Stone Canyon Pizza relocated from Zona Rosa to downtown Gladstone in July of 2019. iWerx and DesignWerx are entrepreneurial development centers offering private office space and a collaborative environment for entrepreneurs and contractors. iWerx has completed their renovation on a 30,000 square foot, 40 year old downtown building. One of the newest projects in the downtown district is the construction of a Fairfield Inn & Suites by Marriot. The 67,000 square foot 110 room hotel is scheduled to open in 2021 giving visitors a place to stay while in the area.

The above listed projects and awards suggest stable economic forecasts for Gladstone throughout the next decade. The City will continue to investigate methods of expanding the economic base for the community as well as exploring economic and community development programs that will benefit the City.

Tax collections for FY21 are budgeted at $18,611,000, compared to FY20 budget of $18,237,050, for a projected increase of $373,950. The FY21 budget takes into consideration the full year collection of the additional ½ cent general sales tax passed in 2019. Sales and use tax collections have rebounded to pre-recession levels. Property tax valuations have been on the increase and delinquency collections continue to decrease with the improving economy. Gross receipts are expected to decrease based on trends in telecommunications as subscribers switch from land lines to mobile and from talk to texting. The City's 2020 property tax rates effective for FY21 are set per $100 assessed valuation. Levy rates for residential real property are set at $.8670 and commercial real property at $.8770. Agricultural real property and personal property are set at $.9290.

Capital outlays budgeted in governmental funds total $3,628,995 and capital outlays budgeted in the proprietary fund total $1,117,500. These capital additions indicate an ongoing commitment to fund capital requirements and quality of life for Gladstone citizens.

In the business-type activities, the sewer rate will continue to increase annually due to the reliance on Kansas City, Missouri to process the City's sewerage and the ongoing costs related to EPA mandates. In FY21 sewer rates stayed the same at $9.92 per 1000 gallons based on water usage and the administrative fee of $14.40 per month. The water rate and administrative fee also stayed the same at $4.75 per 1,000 gallons and $9.27 per billing. The decision to not change rates was due to the COVID-19 pandemic.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Gladstone, 7010 North Holmes, Gladstone, Missouri 64118 or by calling 816-436-2200 or by visiting the City's website at www.Gladstone.mo.us.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Special Road District #3
Assets:				
Cash and investments	$ 10,021,389	$ 3,290,892	$ 13,312,281	$ 178,528
Receivables, net of allowance for uncollectibles:				
Accounts	385,173	876,346	1,261,519	5,165
Unbilled services	-	1,013,100	1,013,100	-
Taxes	2,742,027	-	2,742,027	-
Accrued interest	5,191	1,730	6,921	-
Inventory	105,634	15,426	121,060	-
Prepaid items	558,059	8,910	566,969	-
Due from component unit	57,602	-	57,602	-
Interlocal agreement:				
Due within one year	380,816	-	380,816	-
Due in more than one year	2,242,075	-	2,242,075	-
Restricted assets:				
Cash and investments	628,644	1,057,015	1,685,659	-
Capital assets:				
Land, other assets and construction in progress, non-depreciable	15,536,726	1,474,591	17,011,317	-
Other capital assets, net of depreciation	65,998,650	21,011,117	87,009,767	-
Total assets	98,661,986	28,749,127	127,411,113	183,693
Deferred outflows of resources:				
Deferred outflows - pension	1,951,762	148,919	2,100,681	-
Deferred outflows - OPEB	108,664	22,256	130,920	-
Total deferred outflows of resources	2,060,426	171,175	2,231,601	-
Liabilities:				
Accounts payable	638,831	1,058,545	1,697,376	-
Contracts payable	23,197	51,205	74,402	-
Accrued liabilities	912,570	68,582	981,152	-
Accrued interest	168,179	38,475	206,654	-
Deposits	289,895	687,015	976,910	-
Due to other governments	2,686	-	2,686	-
Due to primary government	-	-	-	57,602
Unearned revenue	1,954,358	-	1,954,358	-
Noncurrent liabilities:				
Due within one year	4,321,846	996,514	5,318,360	-
Due in more than one year	34,964,533	3,165,645	38,130,178	-
Total liabilities	43,276,095	6,065,981	49,342,076	57,602
Deferred inflows of resources:				
Deferred inflows - pension	1,459,876	136,101	1,595,977	-
Deferred inflows - OPEB	134,951	27,641	162,592	-
Total deferred inflows of resources	1,594,827	163,742	1,758,569	-
Net position:				
Net investment in capital assets	47,490,792	18,852,287	66,343,079	-
Restricted for:				
Debt service	-	370,000	370,000	-
Capital improvements	726,644	-	726,644	-
Transportation and public safety	442,005	-	442,005	-
Parks and recreation	1,114,394	-	1,114,394	-
Unrestricted	6,077,655	3,468,292	9,545,947	126,091
Total net position	$ 55,851,490	$ 22,690,579	$ 78,542,069	$ 126,091

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Special Road District #3
Primary government:								
Governmental activities:								
General administration	$ 1,706,717	$ 1,453,322	$ 161	$ -	$ (253,234)	$ -	$ (253,234)	$ -
Finance	1,966,902	271,978	-	-	(1,694,924)	-	(1,694,924)	-
Public safety	11,694,907	1,557,055	1,307,778	-	(8,830,074)	-	(8,830,074)	-
Public works	6,132,892	193,205	-	1,916,371	(4,023,316)	-	(4,023,316)	-
Community development	1,535,028	323,120	847	-	(1,211,061)	-	(1,211,061)	-
Parks and recreation	5,222,345	1,757,254	1,500	339,027	(3,124,564)	-	(3,124,564)	-
Interest on long-term debt	1,184,738	-	-	-	(1,184,738)	-	(1,184,738)	-
Total governmental activities	29,443,529	5,555,934	1,310,286	2,255,398	(20,321,911)	-	(20,321,911)	-
Business-type activities:								
Combined waterworks and sewerage system	10,258,297	10,803,438	44,907	-	-	590,048	590,048	-
Total business-type activities	10,258,297	10,803,438	44,907	-	-	590,048	590,048	-
Total primary government	$ 39,701,826	$ 16,359,372	$ 1,355,193	$ 2,255,398	(20,321,911)	590,048	(19,731,863)	
Component unit:								
Special Road District #3	$ 407,662	$ -	$ 382,879	$ -	-	-	-	
General revenues:								
Taxes:								
Property taxes					3,609,023	-	3,609,023	-
Sales taxes					10,956,925	-	10,956,925	-
Franchise taxes					2,900,983	-	2,900,983	-
Cigarette taxes					120,848	-	120,848	-
Intergovernmental revenue not restricted to specific programs					1,016,704	-	1,016,704	-
Unrestricted investment earnings					144,703	41,137	185,840	1,134
Gain on disposal of capital assets					4,286	1,400	5,686	-
Miscellaneous					922,155	4,805	926,960	-
Transfers					50,000	(50,000)	-	-
Total general revenues and transfers					19,725,627	(2,658)	19,722,969	1,134
Change in net position					(596,284)	587,390	(8,894)	(23,649)
Net position, beginning of year					56,447,774	22,103,189	78,550,963	149,740
Net position, end of year					$ 55,851,490	$ 22,690,579	$ 78,542,069	$

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	Major Funds				
	General	Community Center and Parks Tax	Transportation Sales Tax	Nonmajor Funds	Total Governmental
Assets:					
Cash and investments	$ 7,884,685	$ 1,211,449	$ 78,483	$ 846,772	$ 10,021,389
Due from component unit	57,602	-	-	-	57,602
Receivables, net of allowance for uncollectibles:					
Accounts	339,062	15,832	30,279	-	385,173
Taxes	1,770,370	143,547	287,100	541,010	2,742,027
Accrued interest	2,768	1,038	277	1,108	5,191
Inventory	101,074	4,560	-	-	105,634
Prepaid items	558,059	-	-	-	558,059
Interlocal agreement	-	2,622,891	-	-	2,622,891
Restricted assets:					
Cash and investments	111,621	6	235,316	281,701	628,644
Total assets	$ 10,825,241	$ 3,999,323	$ 631,455	$ 1,670,591	$ 17,126,610
Liabilities:					
Accounts payable	$ 332,020	$ 94,623	$ 170,193	$ 41,995	$ 638,831
Contracts payable	-	-	8,402	14,795	23,197
Accrued liabilities	822,166	65,399	-	25,005	912,570
Deposits	234,191	13,415	42,289	-	289,895
Due to other governments	2,686	-	-	-	2,686
Unearned revenue	1,853,328	84,035	-	16,995	1,954,358
Total liabilities	3,244,391	257,472	220,884	98,790	3,821,537
Deferred inflows of resources:					
Unavailable revenue - interlocal agreement	-	2,622,891	-	-	2,622,891
Total deferred inflows of resources	-	2,622,891	-	-	2,622,891
Fund balances:					
Nonspendable:					
Inventory	101,074	4,560	-	-	105,634
Prepaid items	558,059	-	-	-	558,059
Restricted:					
Community center operations	-	1,114,394	-	-	1,114,394
Capital improvements	-	6	-	838,020	838,026
Public safety - operations	-	-	-	266,750	266,750
Street projects	-	-	410,571	-	410,571
Land purchases	-	-	-	3,245	3,245
Committed:					
City parks and playgrounds	-	-	-	6,952	6,952
Assigned:					
Technology/equipment replacement	-	-	-	456,834	456,834
Unassigned	6,921,717	-	-	-	6,921,717
Total fund balances	7,580,850	1,118,960	410,571	1,571,801	10,682,182
Total liabilities, deferred inflows of resources, and fund balances	$ 10,825,241	$ 3,999,323	$ 631,455	$ 1,670,591	$ 17,126,610

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances in Governmental Funds Balance Sheet	$	10,682,182
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		81,535,376
Long-term liabilities for items such as bonds payable and certificates of participation are not due and payable in the current period and, therefore, are not reported in the funds.		(39,454,558)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the governmental funds.		2,622,891
Other deferred outflows of resources related to the net pension liability and total OPEB liability do not increase net position until a future period.		2,060,426
Other deferred inflows of resources related to the net pension liability and total OPEB liability represent acquisitions of net position that apply to a future period.		(1,594,827)
Net position of governmental activities	$	55,851,490

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	Major Funds				
	General	Community Center and Parks Tax	Transportation Sales Tax	Nonmajor Funds	Total Governmental
Revenues:					
Taxes	$ 11,758,011	$ 892,469	$ 1,784,950	$ 3,152,349	$ 17,587,779
Licenses and permits	642,929	-	-	-	642,929
Intergovernmental	2,491,445	700,000	1,916,371	847	5,108,663
Charges for services	2,997,669	1,175,852	-	250	4,173,771
Fines and forfeitures	573,236	-	-	-	573,236
Interest	67,477	25,507	6,177	45,542	144,703
Other	845,830	5,526	5,000	66,494	922,850
Total revenues	19,376,597	2,799,354	3,712,498	3,265,482	29,153,931
Expenditures:					
Current:					
General administration	1,175,841	-	-	-	1,175,841
Finance	1,390,981	-	-	-	1,390,981
Public safety	9,077,954	-	-	544,573	9,622,527
Public works	2,195,387	-	-	862,441	3,057,828
Community development	759,039	-	-	112,212	871,251
Parks and recreation	2,191,929	1,662,858	-	-	3,854,787
Nondepartmental	795,287	116,198	222,238	133,664	1,267,387
Capital outlay	831,924	109,692	4,064,816	499,950	5,506,382
Debt service:					
Principal	246,535	1,529,933	382,524	1,797,402	3,956,394
Interest and fiscal charges	107,061	631,061	171,770	244,444	1,154,336
Total expenditures	18,771,938	4,049,742	4,841,348	4,194,686	31,857,714
Excess (deficiency) of revenues over (under) expenditures	604,659	(1,250,388)	(1,128,850)	(929,204)	(2,703,783)
Other financing sources (uses):					
Loan issued	1,000,000	-	-	838,972	1,838,972
Sales of capital assets	28,253	-	-	-	28,253
Transfers in	200,000	769,900	150,000	1,289,673	2,409,573
Transfers out	(275,319)	-	(1,214,354)	(869,900)	(2,359,573)
Total other financing sources (uses)	952,934	769,900	(1,064,354)	1,258,745	1,917,225
Net change in fund balances	1,557,593	(480,488)	(2,193,204)	329,541	(786,558)
Fund balances, beginning of year	6,023,257	1,599,448	2,603,775	1,242,260	11,468,740
Fund balances, end of year	$ 7,580,850	$ 1,118,960	$ 410,571	$ 1,571,801	$ 10,682,182

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(786,558)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		346,861
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(23,964)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		(360,973)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,117,423
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,889,073)
Change in net position of governmental activities	$	(596,284)

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2020

	Combined Waterworks and Sewerage System
Assets:	
Current assets:	
Cash and investments	$ 3,290,892
Receivables, net:	
Accounts	876,346
Unbilled services	1,013,100
Accrued interest	1,730
Inventory	15,426
Prepaid items	8,910
Restricted cash and investments	1,057,015
Total current assets	6,263,419
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	1,474,591
Other capital assets, net of depreciation	21,011,117
Total noncurrent assets	22,485,708
Total assets	28,749,127
Deferred outflows of resources:	
Deferred outflows - pension	148,919
Deferred outflows - OPEB	22,256
Total deferred outflows of resources	171,175
Liabilities:	
Current liabilities:	
Accounts payable	1,058,545
Contracts payable	51,205
Accrued liabilities	68,582
Accrued interest	38,475
Deposits	687,015
Compensated absences	78,515
Current portion of long-term debt	917,999
Total current liabilities	2,900,336
Noncurrent liabilities:	
Compensated absences	31,960
Total OPEB liability	87,193
LAGERS net pension liability	331,070
Long-term debt, net	2,715,422
Total noncurrent liabilities	3,165,645
Total liabilities	6,065,981
Deferred inflows of resources:	
Deferred inflows - pension	136,101
Deferred inflows - OPEB	27,641
Total deferred inflows of resources	163,742
Net position:	
Net investment in capital assets	18,852,287
Restricted for debt service	370,000
Unrestricted	3,468,292
Total net position	$ 22,690,579

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2020

	Combined Waterworks and Sewerage System
Operating revenues:	
Charges for services	$ 10,803,438
Intergovernmental	44,907
Other income	4,805
Total operating revenues	10,853,150
Operating expenses:	
Personnel services	1,408,698
Materials and supplies	422,007
Services operation and maintenance	2,205,746
Sewer treatment charges	5,035,883
Depreciation	1,030,203
Total operating expenses	10,102,537
Operating income	750,613
Nonoperating revenues (expenses):	
Interest income	41,137
Gain on sale of property	1,400
Interest expense and fiscal charges	(155,760)
Total nonoperating revenues (expenses)	(113,223)
Income before transfers	637,390
Transfers out	(50,000)
Change in net position	587,390
Total net position, beginning of year	22,103,189
Total net position, end of year	$ 22,690,579

See accompanying notes to basic financial statements.

CITY OF GLADSTONE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2020

	Combined Waterworks and Sewerage System
Cash flows from operating activities:	
Receipts from customers	$ 10,708,293
Payments to suppliers	(7,609,179)
Payments to employees	(1,285,157)
Other income	4,805
Net cash provided by operating activities	1,818,762
Cash flows from noncapital financing activities:	
Transfers to other funds	(50,000)
Cash flows from capital and related financing activities:	
Purchase of capital assets	(1,109,318)
Payments on long-term debt	(894,813)
Interest and fiscal charges paid	(164,528)
Proceeds from the sale of assets	1,400
Net cash used in capital and related financing activities	(2,167,259)
Cash flows from investing activities:	
Purchase of certificates of deposit	(799,402)
Maturity of certificates of deposit	1,887,126
Purchase of MOSIP investments	(734,904)
Interest received	46,337
Net cash provided by investing activities	399,157
Net increase in cash and cash equivalents	660
Cash and cash equivalents, beginning of year	2,812,941
Cash and cash equivalents, end of year	$ 2,813,601
Cash and investments:	
Cash and cash equivalents	$ 2,813,601
Certificates of deposit	799,402
MOSIP	734,904
	$ 4,347,907
Cash and investments reported on the statement of net position:	
Cash and investments	$ 3,290,892
Restricted cash and investments	1,057,015
Total cash and investments	$ 4,347,907

(Continued)

CITY OF GLADSTONE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
(Continued)
Year Ended June 30, 2020

	Combined Waterworks and Sewerage System
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 750,613
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,030,203
Changes in:	
Receivables	(148,792)
Inventory	(735)
Prepaid items	(6,564)
Net pension liability	308,444
Deferred outflows	(50,576)
Deferred inflows	(124,850)
Accounts and contracts payable	61,756
Accrued liabilities	7,728
Compensated absences	(28,340)
Deposits	8,740
Total OPEB liability	11,135
Net cash provided by operating activities	$ 1,818,762

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Gladstone, Missouri (the City) was incorporated in 1952 and covers an area of approximately nine square miles in Clay County, Missouri. The City operates under the Council-Manager form of government as a third-class city. The City Manager is the chief administrative officer of the City. The City provides services to approximately 25,410 residents (2010 Census), including law enforcement, fire protection, paramedic services, water and sewer services, community enrichment and development, and various social services. The North Kansas City School District No. 74, a separate governmental entity, provides educational services.

The accompanying basic financial statements present the City and the component unit over which the City is financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The Gladstone Special Road District No. 3 (the District) was incorporated October 9, 1959, following a vote of the people, which was certified by the Clay County Court. The District is located largely within the City, with a small area outside the municipality. The District provides street maintenance and repair functions in the City even though it is a separate legal entity. Management has determined that the District should be included as a discretely presented component unit due to the nature and significance of its relationship with the City and that the exclusion of the District would render the City's financial statements incomplete or misleading. The District is presented as a governmental fund type. The District does not issue any separate financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including finance, public safety, public works, community development, and parks and recreation.

The community center and parks tax fund is a special revenue fund that accounts for the .25% City sales tax for the purpose of funding community center and park projects.

The transportation sales tax fund is a capital projects fund that accounts for the .5% City sales tax for the purpose of funding transportation capital improvement projects. This sales tax has been restricted for transportation projects.

The City reports the following major proprietary fund:

The combined waterworks and sewerage system fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration (utility director), operations, maintenance, financing and related debt service, and billings and collections.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's waterworks and sewerage functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the combined waterworks and sewerage system fund are charges to customers for sales and services and tower rental charges. Operating expenses for the combined waterworks and sewerage system fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

A majority of the cash and investments of the individual funds are combined to form a pool that is managed by the finance director. Each fund's equity in the pool is included in "cash and investments" in the financial statements. These pooled deposits and investments consist of cash on hand, amounts in demand deposits, certificates of deposits, and investments. Certificates of deposit and repurchase agreements are recorded at cost and brokered certificates of deposit are recorded at fair value. The City's investment in the external investment pool (MOSIP) is not SEC-registered and is regulated by the State of Missouri. This external investment pool is reported at amortized cost.

Cash Flows Statement

For purposes of the cash flow statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unearned revenue is reported as follows:

General fund licenses revenue	$	102,092
General fund senior activities revenue		124,073
General fund intergovernmental revenue		1,446,006
General fund miscellaneous revenue		181,157
Community center and parks tax fund pool revenue		77,175
Community center and parks tax fund miscellaneous revenue		6,860
Nonmajor governmental funds - miscellaneous revenue		16,995
	$	1,954,358

Property Taxes

The City's property tax is levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by the Clay County Assessor subject to review by the County's Board of Equalization. The assessed value in August 2019 upon which the 2020 levy was based was $ 398,903,529.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1 of each year. Property taxes become delinquent on January 1 of each fiscal year. The Clay County Collector is the tax collection agent for all taxing entities within the County. Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

The City is permitted by Missouri State Statutes to levy taxes up to $ 1.00 per $ 100 of assessed valuation for general services other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's General Fund property tax levy per $ 100 assessed valuation was $ .8650 for residential real property, $ .8670 for commercial real property, $ .9290 for agricultural real property, and $ .9290 for personal property for the year ended June 30, 2020.

Inventories and Prepaid Items

Inventories consist of de-icing salt, motor fuel and concession operation food in the General Fund and water purification supplies (e.g. lime, chlorine and carbon dioxide) in the enterprise funds. All inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of greater than or equal to $ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives.

Water and sewer lines and distribution reservoirs	50 years
Wells, storm sewers, buildings and swimming pools	30 years
Meters and hydrants	20 years
Pool equipment and furniture	15 years
Office furniture, equipment and reservoir improvements	10 years
Automobiles and miscellaneous equipment	5 years
Infrastructure – streets/curbs	20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred outflows of resources related to the City's net pension liability and total OPEB liability. See Note 10 for more information on the deferred outflows for the pension and Note 11 for more information on the deferred outflows for OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that quality for reporting in this category. The first arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from an interlocal agreement. This amount is deferred and recognized as inflows of resources in the period that the amounts become available. The second deferred inflow of resources relates to the City's net pension liability and the third deferred inflow of resources relates to the

City's total OPEB liability. See Note 10 for more information on the deferred inflows for the pension and Note 11 for more information on the deferred inflows for OPEB.

Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based upon length of service. Vacation leave for regular full-time employees will be accruable to a maximum of two times the amount earned in a year of employment. Any employee leaving the City's service will be compensated for all vacation leave that has accrued but not been used as of the date of his/her separation, provided that he/she has been with the City for at least six full months. A regular full-time employee may be compensated for unused sick leave in the following manner, provided that he/she has been with the City for at least six full months: five to ten years of service – one hour for five hours of unused sick leave, 10 to 20 years of service – one hour for three hours of unused sick leave and over 20 years of service – one hour for two hours of unused sick leave.

Compensatory time is earned at the rate of one and one-half for each hour of overtime worked. Subject to the Fair Labor Standards Act, part of this time may be taken off in lieu of pay. Any time accruing to a nonexempt employee is paid at termination. Exempt employees are not paid at termination. Exempt employees are those whose job assignments meet the federal and state requirements for overtime exemption. Exempt employees are compensated on a salary basis and are not eligible for overtime pay. Generally, executive, administrative and professional employees are exempt.

All vacation, sick pay, and compensatory time is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental fund financial statements, a liability for these amounts is reported only when they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and refunding differences are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be spent for specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (ordinance).

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (2) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes, the City Manager as provided in the City's Fund Balance Policy dated June 27, 2011.

Unassigned fund balance – is the residual classification for the general fund and includes all amounts not contained in other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Minimum Unassigned Fund Balance

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 20% of operational expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. Proposed budgets, or budget revisions, will maintain an ending fund balance of at least 20% of the Fund's operational expenditures. If unassigned fund balance falls below the goal due to unforeseen revenue fluctuations, unanticipated expenditures, or any similar circumstances, the City will immediately develop a restoration plan to re-build and maintain the minimum 20% fund balance requirement.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

The following accounting standards have been recently issued and will be adopted as applicable by the City. Unless otherwise noted below, management has not yet determined the impact of these Statements on the City's financial statements.

GASB Statement No. 87 "Leases" – This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61" – This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement will become effective for the City in the fiscal year ended June 30, 2021.

GASB Statement No. 91, "Conduit Debt Obligations" – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

GASB Statement No. 92, Omnibus 2020" – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers related to pensions and OPEB plans, asset retirement obligations and reporting of reinsurance amounts. This Statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 93, "Replacement of Interbank Offered Rates" – The objective of this Statement is to address accounting and financial reporting implications that result from global reference rate reform leading to the dissolution of the London Interbank Offered Rate (LIBOR) at the end of 2021. This statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a

period of time in an exchange or exchange-like transaction. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

GASB Statement No 96, "Subscription-Based Information Technology Arrangements" – The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

GASB Statement No. 97, "Internal Revenue Code Section 457 Deferred Compensation Plans" – The primary objective of this Statement is to increase consistency and comparability in reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities for items such as bonds payable and certificates of participation are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $ (39,454,558) difference are as follows:

General obligation bonds payable	$ (600,000)
Certificates of participation	(18,274,067)
Plus: Issuance premiums	(185,487)
Compensated absences	(3,060,913)
LAGERS net pension liability	(1,405,233)
Total OPEB liability	(425,706)
Capital leases payable	(13,713,473)
DNR loan payable	(300,123)
Bank loans payable	(1,321,377)
Accrued interest payable	(168,179)
	$ (39,454,558)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $ 346,861 difference are as follows:

Capital outlay	$	5,505,167
Depreciation expense		(5,158,306)
	$	346,861

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $ 2,117,423 difference are as follows:

Capital lease issuances	$	(1,838,972)
Principal repayments:		
General obligation bonds		200,000
Certificates of participation		1,539,825
Capital leases		2,136,897
Loans payable		79,673
	$	2,117,423

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $ (1,889,073) difference are as follows:

Amortization of bond premiums	$	16,863
Compensated absences		(270,176)
LAGERS net pension liability		(1,578,919)
Total OPEB liability		(9,578)
Accrued interest		(47,263)
	$	(1,889,073)

3 - Stewardship, Compliance and Accountability

Budgetary Information

The City Council follows four procedures in establishing the budget.

(1) Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means for financing the expenditures.
(2) Public hearings are conducted to obtain taxpayer comments.
(3) Prior to July 1, the budget for all funds is legally enacted through passage of a resolution.
(4) The City Manager is authorized to transfer budgeted amounts between departments within any fund and/or authorize departmental expenditures in excess of budgeted amounts. Any revision that alters the total expenditures of any fund must be approved by the City Council.

The City's policy is to prepare the annual operating budget for governmental fund types on the modified accrual basis. Annual operating budgets are not required for the following governmental funds: N. Oak Land Lease fund, Pleasant Valley Road fund, technology replacement fund, 2015 COP fund, 2011 COP fund, AMR COP fund, community center renovations fund, economic development fund, and animal control donations fund. The City amended the original published budget for the transportation sales tax fund.

4 - Deposits and Investments

At June 30, 2020, the carrying values of deposits and investments are summarized as follows:

Investments:	
Short-term investments held in trust	$ 6
Missouri Securities Investment Program (MOSIP) - Liquid Series	3,009,170
Deposits and repurchase agreements	12,161,742
Petty cash	5,550
	$ 15,176,468

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

	Government-Wide Statement of Net Position	Component Unit	Total
Pooled cash and investments	$ 13,312,281	$ 178,528	$ 13,490,809
Restricted assets	1,685,659	-	1,685,659
	$ 14,997,940	$ 178,528	$ 15,176,468

Investment Policy

Missouri state statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, U.S. Treasury notes, and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities

must be held by the City or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially all excess cash is invested in repurchase agreements, certificates of deposit, brokered CD's, MOSIP and money market funds. Each fund's portion of this pool is displayed as pooled cash and investment balances. Only enterprise funds with overdrawn balances are charged for interest. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to certificates of deposits, bonds or other obligations of the United States, and other debt securities given the highest available rating by Moody's Investor Service. At June 30, 2020, the City's investments were limited to short-term money market funds held by bond trustees in accordance with certain bond indentures, brokered CDs, which are not subject to such credit risks, and MOSIP which was rated as AAAm by Standard and Poor's.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At June 30, 2020, the City's deposits and repurchase agreements were insured by federal depository insurance and uninsured deposits and repurchase obligations were fully collateralized by securities held in the City's name by their financial institution's agent. The City's securities were registered and held by the City's financial institution in the City's name. Accordingly, management has determined that none of the City's deposits or investments were exposed to custodial credit risk as of June 30, 2020.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City is not exposed to significant interest rate risk.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. At June 30, 2020, the City's investments were limited to short-term money market funds held by bond trustees in accordance with certain bond indentures, MOSIP and certificates of deposit, which are not subject to such risks.

Investments

As of June 30, 2020, the City had the following investments recorded at fair value:

		Investment Maturity in Years			
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More than 10
Brokered CDs	$ 1,731,000	$ 1,731,000	$ -	$ -	$ -

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2020, the brokered certificates of deposit were valued using pricing of similar assets in markets that are not active (Level 2 input).

5 - Interlocal Agreement – North Kansas City School District

The City entered into a cooperation and use agreement with the North Kansas City School District (the District) related to mutual use of the natatorium facility included in the City's community center. The agreement requires that the District pay the City an annual user fee of $ 525,000 beginning February 1, 2007 and continuing through February 1, 2026. These funds will be used by the City for portions of the debt service requirements of the 2006-A certificates of participation (see Note 8) used to construct the facility. In 2016, the City refunded the 2006-A certificates of participation with proceeds from the 2015 certificates of participation; therefore, future funds received from the District will be used by the City for portions of the debt service requirements of the 2015 certificates of participation. The agreement provides that the District has the option to receive, at no additional charge, a one-fourth ownership interest in the natatorium on the fifth anniversary of the agreement, and a one-half ownership interest on the tenth anniversary of the agreement. The District has not yet exercised any ownership interest options. As of June 30, 2020, the total annual user fees due to the City through the agreement are receivable as follows:

Year Ending June 30,	Total
2021	$ 525,000
2022	525,000
2023	525,000
2024	525,000
2025	525,000
2026	525,000
	3,150,000
Less interest	(527,109)
Net present value	$ 2,622,891

The total present value of the agreement is recorded on the City's fund financial statements as Interlocal Agreement Receivable and Deferred Inflows – Unavailable Revenue in the Community Center and Parks Tax Fund.

6 - Leases

The City has lease agreements with multiple wireless telecommunications providers for space on City-owned water towers, which provide for monthly lease payments. The estimated cost of the water towers is $ 212,000. This amount is included in capital assets of the City, and the related capital assets have been fully depreciated. The following is a schedule of minimum future rentals on the cellular antenna leases.

Year Ending June 30,	Total
2021	$ 276,094
2022	285,187
2023	294,610
2024	307,350
2025	317,467
2026 - 2030	1,279,046
2031 - 2034	576,887
Total minimum future rentals	$ 3,336,641

The City has a lease agreement with a local business for space in a City-owned building, which provides for monthly lease payments. The lease contains renewal options for three, five or seven years. The building has a cost of $ 835,397 as of June 30, 2020, with $ 139,233 of accumulated depreciation. The following is a schedule of minimum future rentals on the building.

Year Ending June 30,	Total
2021	$ 41,800
2022	45,100
2023	23,100
Total minimum future lease income	$ 110,000

7 - Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and land rights	$ 9,774,142	$ 15,027	$ -	$ 9,789,169
Construction in progress	10,471,274	5,245,208	(9,968,925)	5,747,557
Total capital assets, not being depreciated	20,245,416	5,260,235	(9,968,925)	15,536,726
Capital assets, being depreciated:				
Buildings	36,694,813	76,137	-	36,770,950
Improvements	13,784,781	2,125,423	-	15,910,204
Machinery and equipment	11,587,016	446,439	(178,342)	11,855,113
Infrastructure	166,145,003	7,565,858	-	173,710,861
Total capital assets being depreciated	228,211,613	10,213,857	(178,342)	238,247,128
Less accumulated depreciation for:				
Buildings	11,971,640	1,444,238	-	13,415,878
Improvements	7,741,658	662,670	-	8,404,328
Machinery and equipment	9,350,188	732,765	(154,375)	9,928,578
Infrastructure	138,181,061	2,318,633	-	140,499,694
Total accumulated depreciation	167,244,547	5,158,306	(154,375)	172,248,478
Total capital assets being depreciated, net	60,967,066	5,055,551	(23,967)	65,998,650
Governmental activities capital assets, net	$ 81,212,482	$ 10,315,786	$ (9,992,892)	$ 81,535,376

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land, water and sewer easements	$ 412,258	$ -	$ -	$ 412,258
Construction in progress	23,013	1,039,320	-	1,062,333
Total capital assets, not being depreciated	435,271	1,039,320	-	1,474,591
Capital assets, being depreciated:				
Buildings	5,589,851	-	-	5,589,851
Infrastructure	36,108,001	-	-	36,108,001
Machinery and equipment	2,392,333	69,998	(36,313)	2,426,018
Total capital assets being depreciated	44,090,185	69,998	(36,313)	44,123,870
Less accumulated depreciation for:				
Buildings	3,748,501	91,883	-	3,840,384
Infrastructure	16,560,857	805,486	-	17,366,343
Machinery and equipment	1,809,505	132,834	(36,313)	1,906,026
Total accumulated depreciation	22,118,863	1,030,203	(36,313)	23,112,753
Total capital assets being depreciated, net	21,971,322	(960,205)	-	21,011,117
Business-type activities capital assets, net	$ 22,406,593	$ 79,115	$ -	$ 22,485,708

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General administration	$ 208,116
Finance	236,072
Public safety	953,702
Public works	2,627,622
Community development	461,600
Parks and recreation	671,194
Total depreciation expense for governmental activities	$ 5,158,306
Business-type activities:	
Combined waterworks and sewerage system	$ 1,030,203

8 - Long-Term Debt

Change in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 800,000	$ -	$ 200,000	$ 600,000	$ 200,000
Certificates of participation	19,813,892	-	1,539,825	18,274,067	1,590,291
Plus:					
Premium on issuance	202,350	-	16,863	185,487	-
Compensated absences	2,790,737	1,192,200	922,024	3,060,913	922,024
LAGERS net pension (asset) liability	(2,147,097)	3,552,330	-	1,405,233	-
Total OPEB liability	324,249	101,457	-	425,706	-
Direct borrowings and placements:					
Capital leases	14,011,398	1,838,972	2,136,897	13,713,473	1,205,262
DNR loan payable	379,796	-	79,673	300,123	82,892
Bank loans payable	1,321,377	-	-	1,321,377	321,377
Governmental activities long-term liabilities	$ 37,496,702	$ 6,684,959	$ 4,895,282	$ 39,286,379	$ 4,321,846
Business-type activities:					
Certificates of participation	$ 1,246,734	$ -	$ 237,899	$ 1,008,835	$ 243,491
LAGERS net pension liability	22,626	308,444	-	331,070	-
Total OPEB liability	76,058	11,135	-	87,193	-
Compensated absences	138,815	50,175	78,515	110,475	78,515
Direct borrowings and placements:					
Revenue bonds	2,275,000	-	550,000	1,725,000	565,000
Capital leases	1,006,500	-	106,914	899,586	109,508
Business-type activities long-term liabilities	$ 4,765,733	$ 369,754	$ 973,328	$ 4,162,159	$ 996,514

For the governmental activities, compensated absences, the LAGERS net pension liability and the total OPEB liability are generally liquidated by the General Fund.

Governmental activities long-term debt is comprised of the following:

General obligation bonds:		
$ 2,000,000 2010 Taxable General Obligation Street Improvement Bonds, Build America Recovery Zone Economic Development Bonds - Direct Pay due in annual installments of $ 200,000 through March 1, 2023; interest - 4.45%	$	600,000
Certificates of participation:		
$ 196,154 2013 Certificates of Participation (tax-exempt) due in annual installments of $ 20,291 to $ 21,755 through July 15, 2023; interest - 2.35%		84,067
$ 23,510,000 2015 Certificates of Participation (tax-exempt) due in annual installments of $ 1,465,000 to $ 1,880,000 through June 1, 2031; interest - 2.00% to 3.625%		18,190,000
		18,274,067
Premium on issuance		185,487
Total certificates of participation		18,459,554
Compensated absences		3,060,913
LAGERS net pension liability		1,405,233
Total OPEB liability		425,706
Capital leases		13,713,473
DNR loan payable		300,123
Bank loans payable		1,321,377
Total governmental activities long-term debt		39,286,379
Less amounts due within one year		(4,321,846)
Total governmental activities long-term debt due in more than one year	$	34,964,533

Business-type activities long-term debt is comprised of the following:

Certificates of participation:		
$ 2,353,846 2013 Certificates of Participation (tax-exempt) due in annual installments of $ 243,491 to $ 261,063 through July 15, 2023; interest - 2.35%	$	1,008,835
LAGERS net pension liability		331,070
Total OPEB liability		87,193
Compensated absences		110,475
Revenue bonds:		
$ 5,000,000 - 2010A Taxable Combined Waterworks and Sewerage System Revenue Bonds, Build America Recovery Zone Economic Development Bonds - Direct Pay due in annual installments of $ 565,000 to $ 585,000 through June 1, 2023; interest - 4.75%		1,725,000
Capital leases		899,586
Total business-type activities long-term debt		4,162,159
Less amounts due within one year		(996,514)
Total business-type activities due in more than one year	$	3,165,645

The annual debt service requirements to amortize all debt outstanding as of June 30, 2020 exclusive of compensated absences, bond issuance premium, the LAGERS net pension liability, and the total OPEB liability are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 3,399,822	$ 1,080,264	$ 917,999	$ 132,400	$ 4,317,821	$ 1,212,664
2022	3,204,014	942,185	937,440	97,163	4,141,454	1,039,348
2023	4,132,129	853,837	890,950	61,256	5,023,079	915,093
2024	2,743,863	759,642	309,303	26,097	3,053,166	785,739
2025	2,771,551	672,396	50,021	18,368	2,821,572	690,764
2026 - 2030	13,336,709	2,053,730	274,996	65,969	13,611,705	2,119,699
2031 - 2035	4,139,590	281,119	198,557	21,692	4,338,147	302,811
2036 - 2040	481,362	14,710	54,155	1,655	535,517	16,365
	$ 34,209,040	$ 6,657,883	$ 3,633,421	$ 424,600	$ 37,842,461	$ 7,082,483

The Missouri State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for “city purposes” not to exceed 10% of the assessed value of taxable tangible property. State statutes permit a city to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property. The purposes of this debt may be for acquiring rights-of-way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric

or other light plants. This is provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

Restricted Assets

The Combined Waterworks and Sewerage System Revenue Bond Series 2010 ordinance requires the Combined Waterworks and Sewerage System be accounted for in a separate enterprise fund. It also requires that after sufficient current assets have been set aside to operate the system, all remaining monies held in the Combined Waterworks and Sewerage System Fund be segregated and restricted in separate special reserves and accounts as follows:

Account	Restriction
Reserve	Portions of the bond proceeds used to make reserve equal to $ 250,000.
Depreciation and replacement	Monthly transfer of $ 5,000 until reserve reaches $ 120,000.
Surplus	All remaining monies, after payment of monthly operating expenses.

In accordance with the trust indenture, the City has obtained a surety bond in lieu of maintaining reserve accounts for the 2015 Certificates of Participation.

The City's restricted assets at year-end are as follows:

	General	Community Center and Parks Tax	Transportation Sales Tax	Other Governmental Funds	Combined Waterworks and Sewerage System	Total
Restricted cash	$ 111,621	$ 6	$ 235,316	$ 281,701	$ 687,015	$ 1,315,659
Revenue bond:						
Reserve fund	-	-	-	-	250,000	250,000
Depreciation/replacement	-	-	-	-	120,000	120,000
	$ 111,621	$ 6	$ 235,316	$ 281,701	$ 1,057,015	$ 1,685,659

Capital Leases

The City acquired nine pieces of equipment for governmental activities and two pieces of equipment for business-type activities under a capital lease. To account for the governmental activities portion of the financing lease, the City charges payments made during the fiscal period as debt service in the governmental fund financial statements. In the year that the assets are acquired, the City records the present value of future lease payments as a capital outlay expenditure and as an offsetting other-financing source in the governmental fund financial statements. The present value of payments due in the future periods is shown as a liability, and the gross amount of $ 639,116 is recorded as a capital asset, net of accumulated depreciation of $ 388,457 in the governmental activities column of the government-wide

financial statements. For business-type activities, the gross amount of $ 478,531 is recorded as a capital asset, net of accumulated depreciation of $ 240,441 in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements. Land acquired by capital leases in the amount of $ 1,817,375 is recorded as a capital asset in the governmental activities column of the government-wide financial statements.

In 2018, the City entered into a master equipment lease purchase agreement in the amount of $ 7,132,000 to fund park improvements, energy savings improvements and public works improvements. As of June 30, 2020, the City has expended $ 4,058,846 on the energy savings project, $ 200,942 on park improvements and $ 1,041,519 on public works improvements. These assets are recorded in construction in progress.

In 2018, the City entered into a second master equipment lease purchase agreement in the amount of $ 3,988,000 that refunded the Series 2011 Certificates of Participation, a portion of the proceeds of which were used to finance certain equipment. The City will purchase this refinanced equipment through the new capital lease. The refinanced equipment consists of an emergency services radio system and fire truck. Refinanced equipment in the amount of $ 2,068,725 is recorded as a capital asset, net of accumulated depreciation of $ 1,861,852 in the governmental activities column of the government-wide financial statements.

In 2019, the City entered into a third master equipment lease purchase agreement in the amount of $ 1,000,000 to finance certain equipment and software consisting of an ambulance, public administration software, and CAD/RMS software. Equipment in the amount of $ 247,797 is recorded as a capital asset, net of accumulated depreciation of $ 10,325 in the governmental activities column of the government-wide financial statements. Software in the amount of $ 488,165 was expensed in the current year.

As of June 30, 2020, the minimum obligations under the capital lease agreement are included in the government-wide financial statements of the annual debt service requirements as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2021	$ 1,643,074	$ 136,263
2022	1,671,516	137,305
2023	1,525,983	72,220
2024	1,253,607	68,201
2025	1,257,182	341,087
2026 - 2030	6,170,515	260,580
2031 - 2035	2,809,289	83,747
2036 - 2040	496,079	-
Less: interest	(3,113,772)	(199,817)
Total	$ 13,713,473	$ 899,586

DNR Loan Payable

The City entered into a loan agreement with the Missouri Department of Natural Resources in the amount of $ 1,092,693 plus interest of 4.0% to finance building improvements at the Community Center. The agreement requires semi-annual payments of $ 47,038 until August 1, 2023, which includes interest.

Bank Loans Payable

The City has two notes for the purpose of funding various capital improvement projects. The land loan is due June 30, 2020 and bears interest at 3%. On June 30, 2020, the City refinanced the loan with a change in maturity date to June 30, 2023. The farm loan is due June 5, 2021 and bears interest at 2.75%.

	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020
Land loan note	$ 1,055,000	$ -	$ -	$ 1,055,000
Farm loan note	266,377	-	-	266,377
	$ 1,321,377	$ -	$ -	$ 1,321,377

Utility Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expense, to repay $ 5,725,000 in Combined Waterworks and Sewerage System Revenue bonds issued in December 2010. Proceeds from the bonds provided financing for the construction of certain extensions and improvements to the system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2023. Principal and interest remaining to be paid on the bonds is $ 1,889,825. Principal and interest paid for the current year and net available revenue were $ 550,000 and $ 105,588, respectively.

9 - Cooperative Agreement for Sewerage Service

In August 1964, the City entered into a cooperative agreement for sewer service with the City of Kansas City, Missouri (Kansas City), whereby the City was given the right to discharge its sewerage into the sewers of Kansas City. In addition, the City is to pay monthly commodity and service charges. A total of $ 5,035,883 was expensed in 2020.

10 - Employees' Retirement System

Summary of Significant Accounting Polices

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are

reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of five years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	February 29, 2020 Valuation
Benefit program	L-6
Final average salary	Five years
Member contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

	Total
Inactive employees or beneficiaries currently receiving benefits	135
Inactive employees entitled to but not yet receiving benefits	93
Active employees	166
	394

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contributed 4% of their gross pay to the pension plan through October 2019 and 0% of their gross pay starting in November 2019. Employer contribution rates are 17.6% (General), 16.0% (Police) and 14.8% (Fire) of annual covered payroll as of June 30, 2020.

Net Pension Liability (Asset)

The employer's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2020.

Actuarial assumptions. The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

Mortality rates were based on the RP-2014 mortality tables for males and females adjusted for mortality improvement back to the observation period base year of 2006.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount rate. The discount rate used to measure the total pension liability (asset) is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability (asset).

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/2019	$ 59,664,703	$ 61,789,174	$ (2,124,471)
Changes for the year:			
Service cost	1,118,360	-	1,118,360
Interest	4,265,633	-	4,265,633
Difference between expected and actual experience	(927,440)	-	(927,440)
Contributions - employer	-	1,388,480	(1,388,480)
Contributions - employee	-	120,603	(120,603)
Net investment income	-	772,607	(772,607)
Benefit payments, including refunds	(2,804,637)	(2,804,637)	-
Administrative expense	-	(46,250)	46,250
Other changes	380,217	(1,259,444)	1,639,661
Net changes	2,032,133	(1,828,641)	3,860,774
Balances at 6/30/2020	$ 61,696,836	$ 59,960,533	$ 1,736,303

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total pension liability	$ 70,386,916	$ 61,696,836	$ 54,581,316
Plan fiduciary net position	59,960,533	59,960,533	59,960,533
Net pension liability (asset)	$ 10,426,383	$ 1,736,303	$ (5,379,217)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued LAGERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of $ 1,734,268. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 416,897	$ (1,595,977)
Changes in assumptions	101,914	-
Net difference between projected and actual earnings on pension plan investments	1,581,870	-
Total	$ 2,100,681	$ (1,595,977)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Total
2021	$ (389,334)
2022	(134,570)
2023	491,746
2024	663,216
2025	(80,165)
Thereafter	(46,189)
Total	$ 504,704

11 - Post-Employment Benefits Other Than Pensions (OPEB)

Plan Description, Benefits Provided and Contributions. The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS). The City provides retiree healthcare benefits through the Midwest Public Risk of Missouri (MPR), which is a risk pool comprised of approximately 59 entity members. MPR functions as an agent multiple-employer plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone report.

The City requires the retirees to pay 135% of the premiums charged to active employees. Effective July 1, 2019, this rate was changed to 145%. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under Governmental Accounting Standards Board (GASB) Statement No. 75.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding Policy. GASB Statement 75 does not require funding of the total OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

Employees Covered by Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	20
Active employees	178
	198

Total OPEB Liability. The City's total OPEB liability of $ 512,899 was measured as of June 30, 2020 and was determined by an actuarial valuation performed as of July 1, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	2.60% end of year and 3.00% beginning of year per annum. Based on the yield on 20-year, tax-exempt, municipal bonds of quality rating AA or higher on the measurement date.
Medical/Rx cost trend (and retiree contribution trend)	Plan year dependent rates graded from 7.0% in 2021 to 5% in 2029. The same trend is applied to retiree contributions.
Salary scale	3%
Future retiree enrollment	Participation in coverage for future eligible retirees is assumed to differ based on age at retirement. Rates consider MPR plan experience and other plans in the region with similar cost-sharing provisions. 20% enrollment is assumed for those retiring before age 55. 30% enrollment is assumed for those retiring from age 55 to 59. 40% enrollment is assumed for those retiring from age 60 to 64. Fifty percent (50%) of the listed rates are assumed to apply to those currently waiving health insurance coverage.
Medical plan elections	Based on a weighting of current plan elections, the average is valued for projected retirees.
Mortality	Society of Actuaries, Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement.
Retirement due to disability	Assumed disability rates are based on rates used for the LAGERS pension actuarial valuation.
Future spousal participation	25% of future participating retirees are assumed to have a covered spouse. Actual spouse elections were valued for current retirees.
Spouse age difference	Males are assumed to be three years older than their female spouses for future retirees. Actual spouse age was valued for spouses of current retirees.
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

Changes in the Total OPEB Liability.

	Total OPEB Liability
Balance at June 30, 2019	$ 400,307
Changes for the year:	
Service cost	25,879
Interest	12,246
Differences between expected and actual experience	(13,189)
Changes in assumptions and inputs	123,656
Employer contributions	(36,000)
Net changes	112,592
Balance at June 30, 2020	$ 512,899

Several changes to assumptions are reflected above. The discount rate was changed from 3.0% to 2.6%. The proportion of future eligible retiring employees electing coverage with the City upon retirement was changed from 25% (Retire at ages <55), 35% (Retire at ages 55 to 59) and 45% (Retire at ages 60 to 64) to 20%, 30% and 40%, respectively. Additionally, it is assumed employees retiring within 18 months of age 65 will elect COBRA and not "Retiree" coverage since it is cheaper. The mortality assumption was changed from Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2019 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement. The retiree per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.60%)	Discount Rate (2.60%)	1% Increase (3.60%)
Total OPEB liability	$ 559,433	$ 512,899	$ 471,090

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.0% Grading to 4%)	Healthcare Cost Trend Rates (7.0% Grading to 5%)	1% Increase (8.0% Grading to 6%)
Total OPEB liability	$ 454,766	$ 512,899	$ 583,428

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2020, the City recognized OPEB expense of $ (1,620). At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 162,592
Changes in assumptions	130,920	-
Total	$ 130,920	$ 162,592

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	$ (3,745)
2022	(3,745)
2023	(3,745)
2024	(3,745)
2025	(3,745)
Thereafter	(12,947)
	$ (31,672)

12 - Interfund Activity

Interfund transfers for the year ended June 30, 2020 consisted of the following:

	Transfers Out	Transfers In
Governmental Funds:		
General	$ 275,319	$ 200,000
Community Center Parks Tax	-	769,900
Transportation Sales Tax	1,214,354	150,000
Nonmajor governmental	869,900	1,289,673
Enterprise Fund:		
CWSS	50,000	-
	$ 2,409,573	$ 2,409,573

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the fund paying debt service, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Combined Waterworks and Sewer System Fund reimbursed the General Fund for administrative services in the amount of $ 1,158,900 during fiscal year 2020. The Capital Improvement Sales Tax Fund and the Transportation Sales Tax Fund reimbursed the General Fund for administrative services in the amount of $ 100,000 each during fiscal year 2020. Any reimbursements within the governmental funds have been eliminated in the statement of activities.

13 - Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits.

The City is a member of the Midwest Public Risk of Missouri (MPR), a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool operating as a common risk management and insurance program to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expense for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expense relating to any single plan year.

Losses have not been in excess of premiums in any of the past three fiscal years for the workers compensation, property and casualty programs.

Construction Commitments

As of June 30, 2020, the City had construction commitments outstanding totaling approximately $ 555,000.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of June 30, 2020, the amount approved to be borrowed was $ 60,370,000, of which $ 56,990,714 had been drawn down.

Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City.

14 - Municipal Court Traffic Violations, Fines and Costs

Missouri Senate Bill No. 5 replacing RSMo Section 302.341 became effective on August 28, 2015. The Statute requires municipalities to report total annual revenue; general operating revenue; total revenue from fines, bond forfeitures and court costs for minor traffic violations; and the percent of general operating revenue from fines, bond forfeitures and court costs for minor traffic violations as defined by section 479.350. Total revenue for the City for fiscal year 2020 totaled $ 40,007,081. Total general operating revenue totaled $ 18,217,519. Revenue from fines, bond forfeitures and court costs for minor traffic violations totaled $ 311,528 or 1.7% of the operating revenues of the general fund.

15 - Tax Abatements

The City of Gladstone, Missouri and Clay County, Missouri enter into property tax abatement agreements with local businesses for the purpose of attracting businesses within their jurisdictions. These agreements impact local municipalities, including the City. For the fiscal year ended June 30, 2020, abated property taxes that impacted the City totaled $ 125,667, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to a real estate development, construction, and property management company. The City's portion of the abatement amounted to $ 47,322.
- A property tax abatement to a commercial real estate broker and property management company. The City's portion of the abatement amounted to $ 20,047.
- A property tax abatement to a real estate development and property management company. The City's portion of the abatement amounted to $ 52,843.

16 - Subsequent Events

In October 2020, the City issued $ 7,740,000 of Series 2020A Certificates of Participation to provide for the financing of the costs related to construction of an addition to and renovation of an existing fire station, street improvements, parking improvements in the City's central business district, municipal pool improvements, museum improvements, construction of water mains, acquisition of a fire pumper truck and other capital projects and to pay the costs of issuance of the certificates. Principal maturities range from $ 95,000 to $ 1,345,000 through March 1, 2040 with interest rates ranging from 2.00% to 2.25%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 12,543,150	$ 12,543,150	$ 11,758,011	$ (785,139)
Licenses and permits	755,050	755,050	642,929	(112,121)
Intergovernmental	1,388,300	1,388,300	1,342,677	(45,623)
Charges for services	3,728,100	3,728,100	2,997,669	(730,431)
Fines and forfeitures	755,000	755,000	565,426	(189,574)
Equity adjustment	100,000	100,000	-	(100,000)
Interest and other	990,000	990,000	910,807	(79,193)
Total revenues	20,259,600	20,259,600	18,217,519	(2,042,081)
Expenditures:				
Current:				
General administration	1,355,795	1,355,795	1,175,842	179,953
Finance	1,546,093	1,546,093	1,389,981	156,112
Public safety	8,785,928	8,785,928	8,002,280	783,648
Public works	2,406,209	2,406,209	2,207,662	198,547
Community development	790,281	790,281	759,039	31,242
Parks, recreation and facilities	2,859,517	2,859,517	2,191,929	667,588
Nondepartmental	2,187,367	2,187,367	1,531,249	656,118
Debt service	317,085	317,085	353,596	(36,511)
Total expenditures subject to budget	20,248,275	20,248,275	17,611,578	2,636,697
Excess (deficiency) of revenues over (under) expenditures	11,325	11,325	605,941	594,616
Other financing sources (uses):				
Loan issued	-	-	1,000,000	1,000,000
Sales of capital assets	-	-	28,253	28,253
Transfers in	200,000	200,000	200,000	-
Transfers out	(202,000)	(202,000)	(275,319)	(73,319)
Total other financing sources (uses)	(2,000)	(2,000)	952,934	954,934
Net change in fund balances	$ 9,325	$ 9,325	1,558,875	$ 1,549,550
Fund balances, beginning of year			6,008,927	
Fund balances, end of year - General Fund only			7,567,802	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:				
Assistance to Firefighters			419	
POST Training Funds			4,082	
Police County Grant			837	
Private Contributions			7,710	
			$ 7,580,850	

Note to Required Supplementary Information:

Modified accrual is the budgetary basis used to prepare this schedule.

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY CENTER AND PARKS TAX FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 894,075	$ 894,075	$ 892,469	$ (1,606)
Intergovernmental	700,000	700,000	700,000	-
Charges for services	1,313,825	1,313,825	1,175,852	(137,973)
Equity adjustment	232,350	232,350	-	(232,350)
Interest and other	314,200	314,200	31,033	(283,167)
Total revenues	3,454,450	3,454,450	2,799,354	(655,096)
Expenditures:				
Current:				
Parks and recreation	1,868,562	1,868,562	1,662,858	205,704
Nondepartmental	128,549	128,549	116,198	12,351
Capital outlay	65,654	65,654	109,692	(44,038)
Debt service	2,161,000	2,161,000	2,160,994	6
Total expenditures	4,223,765	4,223,765	4,049,742	174,023
Excess (deficiency) of revenues over (under) expenditures	(769,315)	(769,315)	(1,250,388)	(481,073)
Other financing sources:				
Transfers in	769,315	769,315	769,900	585
Net change in fund balances	$ -	$ -	(480,488)	$ (480,488)
Fund balances, beginning of year			1,599,448	
Fund balances, end of year			$ 1,118,960	

Note to Required Supplementary Information:
Modified accrual is the budgetary basis used to prepare this schedule.

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST 10 FISCAL YEARS

Fiscal year ending June 30,	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 1,118,360	$ 1,141,810	$ 1,120,840	$ 1,135,205	$ 1,130,300	$ 1,194,042
Interest on the total pension liability	4,265,633	4,150,517	3,940,199	3,762,152	3,508,824	3,420,115
Benefit changes	-	-	-	-	-	(205,015)
Difference between expected and actual experience	(927,440)	(797,387)	609,418	207,596	99,819	(781,702)
Assumption changes		-	-	-	1,423,577	-
Benefit payments	(2,804,637)	(2,983,480)	(2,583,146)	(2,698,966)	(2,643,519)	(2,110,927)
Other	380,217	-	-	-	-	-
Net change in total pension liability	2,032,133	1,511,460	3,087,311	2,405,987	3,519,001	1,516,513
Total pension liability beginning	59,664,703	58,153,243	55,065,932	52,659,945	49,140,944	47,624,431
Total pension liability ending	$ 61,696,836	$ 59,664,703	$ 58,153,243	$ 55,065,932	$ 52,659,945	$ 49,140,944
Plan fiduciary net position						
Contributions-employer	$ 1,388,480	$ 1,069,080	$ 1,027,899	$ 943,117	$ 960,661	$ 1,173,376
Contributions-employee	120,603	348,941	351,038	341,893	352,610	358,742
Pension plan net investment income	772,607	3,926,086	6,531,803	5,854,999	(100,641)	1,067,162
Benefit payments	(2,804,637)	(2,983,480)	(2,583,146)	(2,698,966)	(2,643,519)	(2,110,927)
Pension plan administrative expense	(46,250)	(40,807)	(27,914)	(26,886)	(26,162)	(28,800)
Other	(1,259,444)	(110,291)	(104,539)	(301,465)	300,878	(173,694)
Net change in plan fiduciary net position	(1,828,641)	2,209,529	5,195,141	4,112,692	(1,156,173)	285,859
Plan fiduciary net position beginning	61,789,174	59,579,645	54,384,504	50,271,812	51,427,985	51,142,126
Plan fiduciary net position ending	$ 59,960,533	$ 61,789,174	$ 59,579,645	$ 54,384,504	$ 50,271,812	$ 51,427,985
Employer net pension liability (asset)	$ 1,736,303	$ (2,124,471)	$ (1,426,402)	$ 681,428	$ 2,388,133	$ (2,287,041)
Plan fiduciary net position as a percentage of the total pension liability	97.19%	103.56%	102.45%	98.76%	95.46%	104.65%
Covered payroll	$ 9,065,138	$ 8,440,679	$ 8,938,358	$ 8,402,538	$ 8,724,094	$ 8,673,804
Employer's net pension liability (asset) as a percentage of covered payroll	19.15%	-25.17%	-15.96%	8.11%	27.37%	-26.37%

Note to Required Supplementary Information:
Data from fiscal year 2011 through fiscal year 2014 is unavailable.

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF CONTRIBUTIONS
PENSION PLAN
LAST 10 FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 1,388,377	$ 1,066,219	$ 1,028,238	$ 943,053	$ 960,730	$ 1,197,337	$ 1,267,715	$ 1,299,311	$ 1,128,523	$ 1,175,968
Contributions in relation to the actuarily determined contribution	1,388,377	1,066,181	1,019,461	943,052	960,729	1,173,393	1,175,830	1,060,786	932,147	849,202
Contribution deficiency (excess)	$ -	$ 38	$ 8,777	$ 1	$ 1	$ 23,944	$ 91,885	$ 238,525	$ 196,376	$ 326,766
Covered payroll	$ 9,137,616	$ 8,701,070	$ 8,698,232	$ 8,546,692	$ 8,815,888	$ 8,968,735	$ 9,064,676	$ 8,852,298	$ 8,495,651	$ 8,487,339
Contributions as a percentage of covered payroll	15.19%	12.25%	11.72%	11.03%	10.90%	13.08%	12.97%	11.98%	10.97%	10.01%

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Three Fiscal Years*

	2020	2019	2018
Total OPEB liability:			
Service cost	$ 25,879	$ 43,360	$ 49,710
Interest	12,246	22,170	26,067
Changes in benefit terms	-	(120,472)	(110,059)
Differences between actual and expected experience	(13,189)	(168,357)	(12,557)
Changes of assumptions	123,656	16,156	5,336
Employer contributions	(36,000)	(42,000)	(52,000)
Net change in total OPEB liability	112,592	(249,143)	(93,503)
Total OPEB liability, beginning	400,307	649,450	742,953
Total OPEB liability, ending	$ 512,899	$ 400,307	$ 649,450
Covered payroll	$ 8,759,023	$ 8,241,207	$ 8,689,809
City's total OPEB liability as a percentage of covered payroll	5.86%	4.86%	7.47%

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

Changes of assumptions:

- The discount rate was changed from 3.0% to 2.6% for the end of year measurement.
- The medical cost trend rate was changed from 7.5%-5%, to 7.0%-5%.
- The participation rates by age were adjusted downward.

OTHER SUPPLEMENTARY INFORMATION

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION SALES TAX FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,715,000	$ 1,715,000	$ 1,784,950	$ 69,950
Intergovernmental	339,324	339,324	1,916,371	1,577,047
Interest and other	8,250	8,250	11,177	2,927
Total revenues	2,062,574	2,062,574	3,712,498	1,649,924
Expenditures:				
Capital outlay	2,588,680	5,586,687	4,064,816	1,521,871
Debt service	549,600	549,600	554,294	(4,694)
Nondepartmental	100,000	100,000	222,238	(122,238)
Total expenditures	3,238,280	6,236,287	4,841,348	1,394,939
Excess (deficiency) of revenues over (under) expenditures	(1,175,706)	(4,173,713)	(1,128,850)	3,044,863
Other financing sources (uses):				
Transfers in	150,000	150,000	150,000	-
Transfers out	(100,000)	(100,000)	(1,214,354)	(1,114,354)
Total other financing sources (uses)	50,000	50,000	(1,064,354)	(1,114,354)
Net change in fund balances	$ (1,125,706)	$ (4,123,713)	(2,193,204)	$ 1,930,509
Fund balances, beginning of year			2,603,775	
Fund balances, end of year			$ 410,571	

CITY OF GLADSTONE, MISSOURI
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds		Capital Projects Funds											
	Special Park and Playground	Public Safety Sales Tax	N. Oak Land Lease	Pleasant Valley Road	Capital Improvement Sales Tax	Technology Replacement	Equipment Replacement	2015 COP	2011 COP	AMR COP	Community Center Renovations	Economic Development	Animal Control Donation	Totals
Assets:														
Cash and investments	$ 6,952	$ 182,496	$ 3,245	$ -	$ 267,659	$ 80,778	$ 267,158	$ 17,360	$ -	$ -	$ 6,124	$ 15,000	$ -	$ 846,772
Receivables:														
Taxes	-	143,500	-	-	287,100	-	110,410	-	-	-	-	-	-	541,010
Accrued interest	-	208	-	-	277	-	623	-	-	-	-	-	-	1,108
Restricted assets:														
Cash and investments	-	-	-	-	114,627	-	-	-	13,146	1,164	-	-	152,764	281,701
Total assets	$ 6,952	$ 326,204	$ 3,245	$ -	$ 669,663	$ 80,778	$ 378,191	$ 17,360	$13,146	$1,164	$ 6,124	$ 15,000	$ 152,764	$1,670,591
Liabilities and fund balances:														
Liabilities:														
Accounts payable	$ -	$ 34,449	$ -	$ -	$ 7,406	$ -	$ 140	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,995
Contracts payable	-	-	-	-	1,649	-	-	-	13,146	-	-	-	-	14,795
Accrued liabilities	-	25,005	-	-	-	-	-	-	-	-	-	-	-	25,005
Unearned revenue	-	-	-	-	-	-	1,995	-	-	-	-	15,000	-	16,995
Total liabilities	-	59,454	-	-	9,055	-	2,135	-	13,146	-	-	15,000	-	98,790
Fund balances:														
Restricted:														
Capital improvements	-	-	-	-	660,608	-	-	17,360	-	1,164	6,124	-	152,764	838,020
Public safety - operations	-	266,750	-	-	-	-	-	-	-	-	-	-	-	266,750
Land purchases	-	-	3,245	-	-	-	-	-	-	-	-	-	-	3,245
Committed:														
City parks and playgrounds	6,952	-	-	-	-	-	-	-	-	-	-	-	-	6,952
Assigned:														
Technology/equipment replacement	-	-	-	-	-	80,778	376,056	-	-	-	-	-	-	
Total fund balances	6,952	266,750	3,245	-	660,608	80,778	376,056	17,360	-	1,164	6,124	-	152,764	1,571,801
Total liabilities and fund balances	$ 6,952	$ 326,204	$ 3,245	$ -	$ 669,663	$ 80,778	$ 378,191	$ 17,360	$13,146	$1,164	$ 6,124	$ 15,000	$ 152,764	$1,670,591

CITY OF GLADSTONE, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	Special Revenue Funds		Capital Projects Funds											
	Special Park and Playground	Public Safety Sales Tax	N. Oak Land Lease	Pleasant Valley Road	Capital Improvement Sales Tax	Technology Replacement	Equipment Replacement	2015 COP	2011 COP	AMR COP	Community Center Renovations	Economic Development	Animal Control Donation	Totals
Revenues:														
Taxes	$ -	$ 892,304	$ -	$ -	$ 1,784,950	$ -	$ 475,095	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,152,349
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	847	-	847
Charges for services	250	-	-	-	-	-	-	-	-	-	-	-	-	250
Interest	-	4,936	-	-	25,798	-	14,808	-	-	-	-	-	-	45,542
Other	-	-	-	-	-	-	63,244	3,250	-	-	-	-	-	66,494
Total revenues	250	897,240	-	-	1,810,748	-	553,147	3,250	-	-	-	847	-	3,265,482
Expenditures:														
Current:														
Public safety	-	544,573	-	-	-	-	-	-	-	-	-	-	-	544,573
Public works	-	-	112	862,329	-	-	-	-	-	-	-	-	-	862,441
Community development	-	-	-	-	-	-	-	-	-	-	-	112,212	-	112,212
Nondepartmental	-	33,664	-	-	100,000	-	-	-	-	-	-	-	-	133,664
Capital outlay	-	67,680	-	8,985	247,757	-	127,151	22,132	-	-	-	26,245	-	499,950
Debt service:														
Principal	-	189,208	160,000	-	1,403,093	-	45,101	-	-	-	-	-	-	1,797,402
Interest and fiscal charges	-	18,277	-	-	213,914	-	12,253	-	-	-	-	-	-	244,444
Total expenditures	-	853,402	160,112	871,314	1,964,764	-	184,505	22,132	-	-	-	138,457	-	4,194,686
Excess (deficit) of revenues over (under) expenditures	250	43,838	(160,112)	(871,314)	(154,016)	-	368,642	(18,882)	-	-	-	(137,610)	-	(929,204)
Other financing sources (uses):														
Loan issued	-	-	-	-	838,972	-	-	-	-	-	-	-	-	838,972
Transfers in	-	-	-	1,114,354	-	-	37,709	-	-	-	-	137,610	-	1,289,673
Transfers out	-	-	-	-	(669,900)	-	(200,000)	-	-	-	-	-	-	(869,900)
Total other financing sources (uses)	-	-	-	1,114,354	169,072	-	(162,291)	-	-	-	-	137,610	-	1,258,745
Net changes in fund balances	250	43,838	(160,112)	243,040	15,056	-	206,351	(18,882)	-	-	-	-	-	329,541
Fund balances (deficit), beginning of year	6,702	222,912	163,357	(243,040)	645,552	80,778	169,705	36,242	-	1,164	6,124	-	152,764	1,242,260
Fund balances, end of year	$ 6,952	$ 266,750	$ 3,245	$ -	$ 660,608	$ 80,778	$ 376,056	$ 17,360	$ -	$ 1,164	$ 6,124	$ -	$ 152,764	$ 1,571,801

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL PARK AND PLAYGROUND FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Lot fees	$ 750	$ 750	$ 250	$ (500)
Total revenues	750	750	250	(500)
Expenditures:				
Nondepartmental	-	-	-	-
Net change in fund balances	$ 750	$ 750	250	$ (500)
Fund balances, beginning of year			6,702	
Fund balances, end of year			$ 6,952	

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY SALES TAX FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 894,075	$ 894,075	$ 892,304	$ (1,771)
Equity adjustment	31,553	31,553	-	(31,553)
Interest and other	14,600	14,600	4,936	(9,664)
Total revenues	940,228	940,228	897,240	(42,988)
Expenditures:				
Public safety	576,601	576,601	544,573	32,028
Nondepartmental	46,097	46,097	33,664	12,433
Capital outlay	80,000	80,000	67,680	12,320
Debt service	237,530	237,530	207,485	30,045
Total expenditures	940,228	940,228	853,402	86,826
Net change in fund balances	$ -	$ -	43,838	$ 43,838
Fund balances, beginning of year			222,912	
Fund balances, end of year			$ 266,750	

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,715,000	$ 1,715,000	$ 1,784,950	$ 69,950
Interest and other	8,250	8,250	25,798	17,548
Total revenues	1,723,250	1,723,250	1,810,748	87,498
Expenditures:				
Nondepartmental	100,000	100,000	100,000	-
Capital outlay	617,785	617,785	247,757	370,028
Debt service	839,054	839,054	1,617,007	(777,953)
Total expenditures	1,556,839	1,556,839	1,964,764	(407,925)
Excess (deficiency) of revenues over (under) expenditures	166,411	166,411	(154,016)	(320,427)
Other financing sources (uses):				
Loan issued	-	-	838,972	838,972
Transfers out	(669,900)	(669,900)	(669,900)	-
Total other financing sources (uses)	(669,900)	(669,900)	169,072	838,972
Net change in fund balances	$ (503,489)	$ (503,489)	15,056	$ 518,545
Fund balances, beginning of year			645,552	
Fund balances, end of year			$ 660,608	

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EQUIPMENT REPLACEMENT FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 475,000	$ 475,000	$ 475,095	$ 95
Interest and other	101,000	101,000	78,052	(22,948)
Total revenues	576,000	576,000	553,147	(22,853)
Expenditures:				
Capital outlay	300,000	300,000	127,151	172,849
Debt service	30,035	30,035	57,354	(27,319)
Total expenditures	330,035	330,035	184,505	145,530
Excess (deficiency) of revenues over (under) expenditures	245,965	245,965	368,642	122,677
Other financing sources (uses):				
Transfers in	72,000	72,000	37,709	(34,291)
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(128,000)	(128,000)	(162,291)	(34,291)
Net change in fund balances	$ 117,965	$ 117,965	206,351	$ 88,386
Fund balances, beginning of year			169,705	
Fund balances, end of year			$ 376,056	

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
General administration:				
Personnel services	$ 938,700	$ 938,700	$ 832,928	$ 105,772
Supplies operation/maintenance	61,089	61,089	9,744	51,345
Services operation/maintenance	356,006	356,006	333,170	22,836
Total general administration	1,355,795	1,355,795	1,175,842	179,953
Finance:				
Personnel services	1,112,688	1,112,688	998,378	114,310
Supplies operation/maintenance	31,182	31,182	22,147	9,035
Services operation/maintenance	286,483	286,483	369,456	(82,973)
Capital	115,740	115,740	-	115,740
Total finance	1,546,093	1,546,093	1,389,981	156,112
Public safety:				
Personnel services	8,095,429	8,095,429	7,335,139	760,290
Supplies operation/maintenance	266,219	266,219	307,129	(40,910)
Services operation/maintenance	337,880	337,880	292,574	45,306
Capital	86,400	86,400	67,438	18,962
Total public safety	8,785,928	8,785,928	8,002,280	783,648
Public works:				
Personnel services	1,346,069	1,346,069	1,181,276	164,793
Supplies operation/maintenance	36,861	36,861	306,017	(269,156)
Services operation/maintenance	1,023,279	1,023,279	708,094	315,185
Capital	-	-	12,275	(12,275)
Total public works	2,406,209	2,406,209	2,207,662	198,547
Community development:				
Personnel services	602,357	602,357	646,769	(44,412)
Supplies operation/maintenance	16,814	16,814	8,549	8,265
Services operation/maintenance	171,110	171,110	103,721	67,389
Total community development	790,281	790,281	759,039	31,242
Parks, recreation and facilities:				
Personnel services	1,299,840	1,299,840	1,118,670	181,170
Supplies operation/maintenance	233,099	233,099	225,064	8,035
Services operation/maintenance	1,326,578	1,326,578	848,195	478,383
Total parks, recreation and facilities	2,859,517	2,859,517	2,191,929	667,588
Nondepartmental:				
Personnel services	1,327,739	1,327,739	91,392	1,236,347
Supplies operation/maintenance	19,395	19,395	12,194	7,201
Services operation/maintenance	840,233	840,233	691,701	148,532
Capital	-	-	735,962	(735,962)
Total nondepartmental	2,187,367	2,187,367	1,531,249	656,118
Debt service:				
Principal	224,675	224,675	246,535	(21,860)
Interest and fiscal charges	92,410	92,410	107,061	(14,651)
Total debt service	317,085	317,085	353,596	(36,511)
Total expenditures	$ 20,248,275	$ 20,248,275	$ 17,611,578	$ 2,636,697

CITY OF GLADSTONE, MISSOURI
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
COMBINED WATERWORKS AND SEWERAGE SYSTEM FUND
Year Ended June 30, 2020

Water production:		
Personnel services	$	650,364
Materials and supplies		223,391
Services operation and maintenance		552,247
Depreciation		124,358
Total water production		1,550,360
Water operations and maintenance:		
Personnel services		529,624
Materials and supplies		172,299
Services operation and maintenance		69,875
Depreciation		787,274
Total water operations and maintenance		1,559,072
Sewer collection:		
Personnel services		228,710
Materials and supplies		26,317
Services operation and maintenance		121,980
Depreciation		118,571
Total sewer collection		495,578
Nondepartmental:		
Services operation and maintenance:		
Charges for administrative services		1,158,900
Other		302,744
Sewer treatment commodity charges:		
Sewer treatment commodity charges		3,354,064
Sewer treatment service charges		1,681,819
Total nondepartmental		6,497,527
Total operating expenses	$	10,102,537

CITY OF GLADSTONE, MISSOURI
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT - SPECIAL ROAD DISTRICT #3
June 30, 2020

Assets:		
Cash and investments	$	178,528
Receivables:		
Accounts		5,165
Total assets	$	183,693
Liabilities:		
Due to primary government	$	57,602
Fund balances:		
Assigned		126,091
Total liabilities and fund balances	$	183,693

CITY OF GLADSTONE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT - SPECIAL ROAD DISTRICT #3
Year Ended June 30, 2020

Revenues:		
Interest	$	1,134
Intergovernmental		382,879
Total revenues		384,013
Expenditures:		
Public works		407,662
Net change in fund balances		(23,649)
Fund balances, beginning of year		149,740
Fund balances, end of year	$	126,091

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Gladstone's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Table
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity	
These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	5-10
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	11-15
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	16-17
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	18-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

CITY OF GLADSTONE, MISSOURI
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 38,233,638	$ 32,974,728	$ 30,676,252	$ 32,524,120	$35,727,276	$31,873,366	$37,952,358	$43,389,680	$46,993,069	$ 47,490,792
Restricted	11,621,682	8,556,628	4,972,781	6,503,334	4,520,774	8,363,510	4,027,631	5,033,822	5,263,177	2,283,043
Unrestricted	5,747,164	10,051,980	12,191,985	8,295,637	12,243,367	11,716,946	10,771,366	7,762,458	4,191,528	6,077,655
Total governmental activities net position	$ 55,602,484	$ 51,583,336	$ 47,841,018	$ 47,323,091	$52,491,417	$51,953,822	$52,751,355	$56,185,960	$56,447,774	$ 55,851,490
Business-type activities										
Net investment in capital assets	$ 17,546,621	$ 17,376,922	$ 16,675,229	$ 17,189,313	$16,866,426	$16,580,051	$17,087,564	$17,417,954	$17,925,744	$ 18,852,287
Restricted	385,821	617,651	370,000	370,000	370,000	370,000	370,000	548,449	417,385	370,000
Unrestricted	1,737,742	2,140,725	3,120,025	2,615,834	2,882,662	3,067,786	2,900,879	3,267,013	3,760,060	3,468,292
Total business-type activities net position	$ 19,670,184	$ 20,135,298	$ 20,165,254	$ 20,175,147	$20,119,088	$20,017,837	$20,358,443	$21,233,416	$22,103,189	$ 22,690,579
Primary government										
Net investment in capital assets	$ 55,780,259	$ 50,351,650	$ 47,351,481	$ 49,713,433	$52,593,702	$48,453,417	$55,039,922	$60,807,634	$64,918,813	$ 66,343,079
Restricted	12,007,503	9,174,279	5,342,781	6,873,334	4,890,774	8,733,510	4,397,631	5,582,271	5,680,562	2,653,043
Unrestricted	7,484,906	12,192,705	15,312,010	10,911,471	15,126,029	14,784,732	13,672,245	11,029,471	7,951,588	9,545,947
Total primary government net position	$ 75,272,668	$ 71,718,634	$ 68,006,272	$ 67,498,238	$72,610,505	$71,971,659	$73,109,798	$77,419,376	$78,550,963	$ 78,542,069

CITY OF GLADSTONE, MISSOURI
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General administration	$ 1,371,811	$ 1,361,450	$ 1,456,240	$ 1,494,557	$ 1,381,212	$ 3,112,931	$ 3,601,704	$ 1,543,844	$ 1,627,689	$ 1,706,717
Finance	1,635,081	1,682,342	1,869,745	1,886,037	1,780,840	1,745,884	1,691,370	1,682,594	1,760,928	1,966,902
Public safety	8,699,634	9,677,646	9,254,469	9,829,948	9,707,806	8,608,897	8,811,892	10,415,792	10,433,075	11,694,907
Public works	9,528,841	9,576,133	8,520,439	4,365,424	4,586,811	4,595,908	4,464,708	4,764,127	4,875,857	6,132,892
Community development	3,095,114	2,001,123	1,941,859	1,932,188	1,557,093	1,360,449	1,759,592	1,477,412	1,474,100	1,535,028
Parks and recreation	4,258,868	4,405,182	4,514,642	4,895,716	4,725,326	5,201,436	5,203,180	5,180,568	5,614,862	5,222,345
Interest on long-term debt	1,436,455	1,612,218	1,518,858	2,090,518	1,529,352	1,636,132	1,135,567	1,332,567	1,204,735	1,184,738
Total governmental activities expenses	30,025,804	30,316,094	29,076,252	26,494,388	25,268,440	26,261,637	26,668,013	26,396,904	26,991,246	29,443,529
Business-type activities:										
Waterworks and sewerage	6,936,143	7,664,777	7,817,612	8,438,746	8,784,161	9,120,325	9,317,047	9,602,029	9,814,772	10,258,297
Total business-type activities expenses	6,936,143	7,664,777	7,817,612	8,438,746	8,784,161	9,120,325	9,317,047	9,602,029	9,814,772	10,258,297
Total primary government expenses	$ 36,961,947	$ 37,980,871	$ 36,893,864	$ 34,933,134	$ 34,052,601	$ 35,381,962	$ 35,985,060	$ 35,998,933	$ 36,806,018	$ 39,701,826
Program Revenues										
Governmental activities:										
Charges for services:										
General administration	$ 959,596	$ 942,389	$ 939,518	$ 1,135,430	$ 1,256,892	$ 1,265,527	$ 1,274,444	$ 1,375,849	$ 1,378,278	$ 1,453,322
Finance	311,671	214,643	234,198	254,020	268,392	264,935	276,505	305,938	292,405	271,978
Public safety	2,120,122	2,161,244	2,120,354	2,147,414	2,302,485	1,811,671	1,915,122	1,873,707	1,815,461	1,557,055
Public works	-	25,957	255,063	141,630	160,627	178,138	179,633	195,791	209,431	193,205
Community development	200,259	160,818	153,423	198,590	455,995	335,511	297,753	297,497	254,729	323,120
Parks and recreation	2,315,071	2,528,716	2,271,283	2,652,535	2,287,289	2,472,898	2,685,691	2,573,087	2,827,774	1,757,254
Operating grants and contributions	181,416	221,170	166,406	277,453	194,645	380,511	183,137	184,883	188,165	1,310,286
Capital grants and contributions	3,620,705	2,892,776	1,608,090	1,629,702	1,646,849	826,477	2,011,995	3,173,989	1,490,198	2,255,398
Total governmental activities program revenue	9,708,840	9,147,713	7,748,335	8,436,774	8,573,174	7,535,668	8,824,280	9,980,741	8,456,441	9,121,618
Business-type activities:										
Charges for services:										
Waterworks and sewerage	7,109,670	7,920,694	8,050,991	8,312,665	8,525,316	8,918,008	9,558,014	10,279,284	10,524,964	10,803,438
Operating grants and contributions	17,000	181,170	82,502	80,043	78,289	73,930	68,090	61,479	53,543	44,907
Total business-type activities program revenue	7,126,670	8,101,864	8,133,493	8,392,708	8,603,605	8,991,938	9,626,104	10,340,763	10,578,507	10,848,345
Total primary government program revenues	$ 16,835,510	$ 17,249,577	$ 15,881,828	$ 16,829,482	$ 17,176,779	$ 16,527,606	$ 18,450,384	$ 20,321,504	$ 19,034,948	$ 19,969,963
Net (expense)/revenue										
Governmental activities	$ (20,316,964)	$ (21,168,381)	$ (21,327,917)	$ (18,057,614)	$ (16,695,266)	$ (18,725,969)	$ (17,843,733)	$ (16,416,163)	$ (18,534,805)	$(20,321,911)
Business-type activities	190,527	437,087	315,881	(46,038)	(180,556)	(128,387)	309,057	738,734	763,735	590,048
Total primary government net expense	$ (20,126,437)	$ (20,731,294)	$ (21,012,036)	$ (18,103,652)	$ (16,875,822)	$ (18,854,356)	$ (17,534,676)	$ (15,677,429)	$ (17,771,070)	$(19,731,863)

Table 2
(Continued)

CITY OF GLADSTONE, MISSOURI
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 3,359,951	$ 3,375,713	$ 3,583,775	$ 3,236,769	$ 3,396,518	$ 3,624,806	$ 3,367,163	$ 3,573,871	$ 3,595,664	$ 3,609,023
Sales and use taxes	7,778,326	8,018,984	8,528,516	8,605,559	8,786,483	9,156,733	9,658,272	9,532,703	9,543,702	10,956,925
Franchise taxes	2,934,275	3,543,502	3,539,407	3,561,864	3,413,977	3,285,930	3,363,743	3,352,646	3,153,189	2,900,983
Cigarette taxes	-	-	96,312	93,222	99,346	108,622	138,093	124,639	128,986	120,848
Intergovernmental revenue not restricted to specific programs	1,104,597	1,206,945	917,005	943,184	979,764	1,007,800	1,033,333	1,035,207	1,018,014	1,016,704
Gain on sale of capital assets	-	-	33,775	-	-	-	20,078	44,035	-	4,286
Investment earnings	387,826	354,454	327,679	306,560	287,134	39,061	80,815	203,202	285,137	144,703
Miscellaneous	1,081,625	649,635	559,130	792,529	774,743	965,422	979,769	1,927,653	1,071,927	922,155
Transfers	-	-	-	-	247,651	-	-	(16,165)	-	50,000
Total governmental activities	16,646,600	17,149,233	17,585,599	17,539,687	17,985,616	18,188,374	18,641,266	19,777,791	18,796,619	19,725,627
Business-type activities:										
Investment earnings	74,337	23,900	22,996	19,081	11,279	12,798	22,777	52,844	75,613	41,137
Gain on sale of capital assets	-	-	-	-	-	-	-	18,000	21,250	1,400
Miscellaneous	51,268	4,127	6,642	36,850	89,938	14,338	8,772	155,550	9,175	4,805
Transfers	-	-	-	-	(247,651)	-	-	16,165	-	(50,000)
Total business-type activities	125,605	28,027	29,638	55,931	(146,434)	27,136	31,549	242,559	106,038	(2,658)
Total primary government	$ 16,772,205	$ 17,177,260	$ 17,615,237	$ 17,595,618	$ 17,839,182	$ 18,215,510	$ 18,672,815	$ 20,020,350	$ 18,902,657	$ 19,722,969
Changes in Net Position										
Governmental activities	$ (3,670,364)	$ (4,019,148)	$ (3,742,318)	$ (517,927)	$ 1,290,350	$ (537,595)	$ 797,533	$ 3,361,628	$ 261,814	$ (596,284)
Business-type activities	316,132	465,114	345,519	9,893	(326,990)	(101,251)	340,606	981,293	869,773	587,390
Total primary government	$ (3,354,232)	$ (3,554,034)	$ (3,396,799)	$ (508,034)	$ 963,360	$ (638,846)	$ 1,138,139	$ 4,342,921	$ 1,131,587	$ (8,894)

Table 3

CITY OF GLADSTONE, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	$ 2,135,960	$ 2,220,799	$ 2,621,101	$ 1,865,819	$ 191,377	$ 264,197	$ 242,054	$ 196,462	$ 206,166	$ 659,133
Restricted	-	-	20,650	62,809	-	-	-	-	-	-
Committed	653,678	667,500	-	-	-	-	-	-	-	-
Assigned	36,267	-	-	-	-	-	-	-	-	-
Unassigned	4,376,474	4,615,364	4,839,402	3,638,859	6,097,473	6,709,974	7,167,395	6,118,122	5,817,091	6,921,717
Total General Fund	$ 7,202,379	$ 7,503,663	$ 7,481,153	$ 5,567,487	$ 6,288,850	$ 6,974,171	$ 7,409,449	$ 6,314,584	$ 6,023,257	$ 7,580,850
All other governmental funds										
Nonspendable	$ 6,190	$ 14,235	$ 5,897	$ 4,846	$ 18,895	$ 5,604	$ 7,765	$ 6,713	$ 5,858	$ 4,560
Restricted	11,621,682	8,556,628	6,240,927	7,089,220	4,535,431	6,147,817	5,881,851	7,164,700	5,425,480	2,632,986
Committed	5,181	5,204	5,374	4,010	1,635	3,545	4,672	6,452	6,702	6,952
Assigned	2,620,901	3,066,784	2,727,128	1,982,501	1,477,311	1,260,113	1,872,091	2,330,247	250,483	456,834
Unassigned	-	-	(988,992)	-	(8,680)	-	(184,917)	(188,764)	(243,040)	-
Total all other governmental funds	$ 14,253,954	$ 11,642,851	$ 7,990,334	$ 9,080,577	$ 6,024,592	$ 7,417,079	$ 7,581,462	$ 9,319,348	$ 5,445,483	$ 3,101,332

Table 4

CITY OF GLADSTONE, MISSOURI
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	$ 14,961,238	$ 15,016,687	$ 15,775,415	$ 15,664,961	$ 15,801,412	$ 16,176,103	$ 16,527,272	$ 16,583,859	$ 16,421,541	$ 17,587,779
Licenses and permits	448,022	411,235	423,423	495,241	769,588	645,140	615,258	647,065	593,705	642,929
Intergovernmental	5,107,732	4,463,000	3,168,156	2,967,638	3,197,028	2,281,325	3,660,019	4,874,226	3,217,267	5,108,663
Charges for services	4,161,800	4,420,778	4,249,519	4,648,533	4,595,390	4,539,167	4,980,843	4,986,569	5,303,325	4,173,771
Fines & forfeitures	1,194,167	1,201,755	1,071,513	1,269,055	1,234,565	994,055	886,430	823,733	700,656	573,236
Interest	387,826	354,454	327,679	306,561	287,134	39,059	80,815	203,202	285,137	144,703
Other	1,081,625	442,177	766,588	1,053,004	807,338	1,049,196	1,002,264	1,936,337	1,073,592	922,850
Total revenues	27,342,410	26,310,086	25,782,293	26,404,993	26,692,455	25,724,045	27,752,901	30,054,991	27,595,223	29,153,931
Expenditures										
General administration	1,107,508	1,125,271	1,164,477	1,271,679	1,222,497	1,243,713	1,183,013	1,232,829	1,259,288	1,175,841
Finance	1,446,237	1,408,685	1,565,764	1,602,819	1,512,446	1,473,261	1,445,795	1,369,264	1,408,991	1,390,981
Public safety	7,451,901	8,162,429	7,986,083	8,424,162	8,596,185	8,152,602	8,316,566	8,359,682	8,747,693	9,622,527
Public works	2,220,410	1,976,141	1,995,417	2,183,315	2,093,023	2,027,455	2,105,647	2,298,337	2,334,570	3,057,828
Community development	2,766,105	1,612,607	1,444,010	1,431,745	1,061,463	927,836	730,117	978,362	931,231	871,251
Parks and recreation	3,632,394	3,780,712	3,781,167	4,292,481	4,123,156	4,159,248	4,447,057	4,424,827	4,695,893	3,854,787
Nondepartmental	778,466	870,554	851,195	893,742	878,651	1,030,982	919,675	1,210,714	1,217,155	1,267,387
Capital outlay	3,366,990	6,611,757	7,690,346	6,518,436	8,806,993	5,899,264	6,047,391	12,062,789	7,145,206	5,506,382
Debt Service										
Principal	3,025,079	1,769,289	1,826,554	2,207,271	2,029,980	3,973,428	2,008,546	3,028,180	2,788,523	3,956,394
Interest	1,591,843	1,541,440	1,447,909	1,455,566	1,483,058	968,917	1,124,508	1,299,908	1,231,865	1,154,336
Bond issuance cost	-	-	-	-	-	305,894	-	-	-	-
Total expenditures	27,386,933	28,858,885	29,752,922	30,281,216	31,807,452	30,162,600	28,328,315	36,264,892	31,760,415	31,857,714
Excess of revenues over (under) expenditures	(44,523)	(2,548,799)	(3,970,629)	(3,876,223)	(5,114,997)	(4,438,555)	(575,414)	(6,209,901)	(4,165,192)	(2,703,783)
Other Financing Sources (Uses)										
Transfers in	650,379	790,000	1,490,001	2,595,741	2,423,556	2,514,870	1,351,761	3,594,023	1,188,850	2,409,573
Transfers out	(650,379)	(790,000)	(1,490,001)	(2,595,741)	(2,175,905)	(2,514,870)	(1,351,761)	(3,610,188)	(1,188,850)	(2,359,573)
Capital lease	-	-	-	-	708,943	4,166,054	1,155,000	10,604,501	-	-
Loan issuance	-	-	-	-	1,771,377	-	-	-	-	1,838,972
Issuance of debt	9,485,000	224,080	196,154	3,033,000	-	23,510,000	-	-	-	-
Premiums/Discounts on debt issued	(21,992)	-	-	-	-	269,802	-	-	-	-
Payment to refunded debt escrow agent	(1,645,373)	-	-	-	-	(21,473,908)	-	(3,786,385)	-	-
Sale of capital assets	-	14,900	99,448	19,800	52,404	44,415	20,075	50,971	-	28,253
Total other financing sources (uses)	7,817,635	238,980	295,602	3,052,800	2,780,375	6,516,363	1,175,075	6,852,922	-	1,917,225
Net change in fund balances	$ 7,773,112	$ (2,309,819)	$ (3,675,027)	$ (823,423)	$ (2,334,622)	$ 2,077,808	$ 599,661	$ 643,021	$ (4,165,192)	$ (786,558)
Debt service as a percentage of non capital expenditures	19.22%	14.88%	14.84%	15.41%	15.27%	21.63%	14.06%	17.88%	16.33%	19.39%

CITY OF GLADSTONE, MISSOURI
Total City Taxable Sales by Category
Last Ten Calendar Years
(amounts expressed in thousands)

Sales by Retail Category:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General merchandise	$ 51,638	$ 72,148	$ 76,797	$ 80,628	$ 83,390	$ 81,904	$ 83,470	$ 103,759	$ 104,605	$ 103,944
Grocery stores	44,021	41,926	44,985	48,991	53,007	50,723	55,318	52,647	56,160	59,751
Motor vehicle dealers	39,760	40,754	45,199	42,318	50,122	51,974	67,769	52,408	57,546	58,924
Hardware stores	26,104	24,389	25,343	26,229	27,501	30,121	33,251	32,768	34,377	35,490
Utilities	42,192	41,407	43,516	43,038	44,339	39,752	41,271	22,545	27,142	24,627
Eating and drinking places	11,534	9,249	11,437	11,171	13,759	14,280	13,656	20,285	14,083	19,108
Eating places only	11,963	14,099	22,900	21,245	22,681	21,266	22,260	16,199	24,656	25,859
Convenience stores	6,454	6,222	6,952	5,386	5,699	6,385	6,609	10,619	17,854	18,563
Drug stores and proprietary stores	4,000	4,768	6,101	5,950	5,868	5,157	5,883	2,127	4,010	4,156
All other outlets	69,098	60,769	43,222	44,654	44,657	48,813	53,535	39,108	17,951	18,116
Total	$ 306,764	$ 315,731	$ 326,452	$ 329,610	$ 351,023	$ 350,375	$ 383,022	$ 352,465	$ 358,384	$ 368,538

Note: Amounts for 2020 are not provided due to only receiving partial year figures.

Source: Missouri Department of Revenue

CITY OF GLADSTONE, MISSOURI
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(in percent)

Direct Sales Tax Rate City of Gladstone	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.500
Capital Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Transportation Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Public Safety-effective October 1, 2010	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Parks & Stormwater-effective July 1, 2006	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total Direct Sales Tax Rate	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	3.000

Total Sales Tax Rate	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Mo. State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Mo. State Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Clay County	0.875	0.875	0.875	0.875	0.875	0.875	0.875	1.125	1.125	1.125
Zoo Tax		0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
City of Gladstone	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	3.000
Total Direct and Overlapping Sales Tax Rate	7.600	7.725	7.725	7.725	7.725	7.725	7.725	7.975	7.975	8.475

Source: Missouri Department of Revenue

Table 7

CITY OF GLADSTONE, MISSOURI
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Real Property Residential Property	Other Property Personal Property	Other Property Railroads & Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
2011	$ 300,031	$ 45,412	$ 7,628	$ 353,071	0.9290	$1,625,249	20.96%
2012	290,600	49,032	10,696	350,328	0.9290	1,599,656	21.72%
2013	289,815	50,054	10,667	350,536	0.9290	1,598,803	21.90%
2014	273,629	52,441	11,204	337,274	0.9290	1,528,611	21.92%
2015	273,967	53,947	12,315	340,230	0.9290	1,538,261	22.06%
2016	279,533	58,468	12,467	350,468	0.9230	1,579,488	22.19%
2017	279,517	55,663	12,680	347,860	0.9290	1,571,651	22.13%
2018	289,052	65,277	13,713	368,042	0.9290	1,650,310	22.30%
2019	290,008	62,962	14,868	367,838	0.9290	1,651,637	22.27%
2020	326,105	58,533	14,266	398,904	0.9290	1,694,128	23.55%

Note: The Clay County Assessor's Office does not break out the Real Property into Residential, Agricultural, and Commercial.

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Source: Clay County Assessor's Office

Table 8

CITY OF GLADSTONE, MISSOURI
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per $100 assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates				Total Direct & Overlapping Rates
	Basic/General Rate	North Kansas City School District	Clay County	State	Other	
2011	0.929	5.890	0.509	0.030	0.649	8.007
2012	0.929	5.890	0.479	0.030	0.650	7.978
2013	0.929	5.890	0.479	0.030	0.651	7.979
2014	0.929	5.890	0.469	0.030	0.650	7.968
2015	0.929	6.517	0.446	0.030	0.661	8.582
2016	0.929	6.433	0.426	0.030	0.646	8.464
2017	0.929	6.428	0.403	0.030	0.669	8.459
2018	0.929	6.428	0.411	0.030	0.664	8.462
2019	0.929	6.424	0.411	0.030	0.745	8.539
2020	0.929	6.202	0.365	0.030	0.681	8.208

Notes: The tax rate for municipal operating purposes cannot exceed one dollar on the hundred dollar assessed valuation. This may be increased to a maximum of thirty cents on the hundred dollar assessed valuation for a period not to exceed four years by a two-thirds approval of the qualified electors voting at a special election.

Table 9

CITY OF GLADSTONE, MISSOURI
Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)

	2020			2011		
Taxpayer	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Google Fiber Missouri, LLC	$ 4,125	1	1.03%			
Wal-Mart Real Estate Business Trust (retail)	2,723	2	0.68%	2,391	2	0.80%
CCRC Of Gladstone, LLC (apartments)	2,467	3	0.62%			
Laclede Gas Co	2,247	4	0.56%			
Gladstone Investors LLC (retail)	2,090	5	0.52%			
Enterprise Leasing Co of KS	1,784	6	0.45%			
HD Development of Maryland (retail)	1,522	7	0.38%	1,310	6	0.44%
Gladstone Senior Partners, LP (apartments)	1,150	8	0.29%	1,158	8	0.39%
Pollina Enterprises, LLC	1,009	9	0.25%			
Jadallah Charles	992	10	0.25%			
Centro Bradley SPE3, LLC (retail)				2,616	1	0.87%
Curry Investment Company (apartments)				1,537	3	0.51%
MBI, Inc. (commercial office)				1,512	4	0.50%
Intercontinental Investment Co. (apartments)				1,510	5	0.50%
Van Chevrolet-Cadillac, Inc. (auto dealer)				1,191	7	0.40%
Lace Partnership (retail)				1,147	9	0.38%
Southern Union Company (utility)				1,108	10	0.37%
Total	$ 20,109		5.04%	$ 15,480		5.16%

Source: Clay County Assessor's Office

Table 10

CITY OF GLADSTONE, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 3,277,077	$ 2,696,271	82.28%	$ 268,487	$2,964,758	90.47%
2012	3,202,498	3,046,938	95.14%	64,063	3,111,001	97.14%
2013	3,184,573	3,110,480	97.67%	27,336	3,137,816	98.53%
2014	3,128,547	3,041,162	97.21%	87,594	3,128,756	100.01%
2015	3,160,734	3,011,526	95.28%	79,199	3,090,725	97.79%
2016	3,241,997	3,125,385	96.40%	78,642	3,204,027	98.83%
2017	3,231,619	3,114,848	96.39%	74,903	3,189,751	98.70%
2018	3,418,503	3,285,320	96.10%	78,874	3,364,194	98.41%
2019	3,416,601	3,348,876	98.02%	42,311	3,391,187	99.26%
2020	3,490,663	3,279,294	93.94%	-	3,279,294	93.94%

Table 11

CITY OF GLADSTONE, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities							Business-Type Activities						
Fiscal Year	GO Bonds	Promissory Notes	Development Agreements	Capital Leases	Bank Loans	Line of Credit	Certificates of Participation	Revenue Bonds	Promissory Notes	Capital Leases	Certificates of Participation	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2011	$ 2,000,000	$ 915,329	$ 40,008	$ 145,476	$ -	$ -	$32,445,195	$5,742,570	$ 301,707	$ 92,995	$ 253,373	$41,936,653	5.65%	1,642
2012	2,000,000	857,292	33,325	298,304	-	-	30,768,889	5,736,713	-	-	238,509	39,933,032	5.25%	1,533
2013	2,000,000	796,910	20,561	149,896	-	-	29,733,483	5,286,712	-	-	2,571,136	40,558,698	5.28%	1,545
2014	1,800,000	734,088	7,797	75,811	-	2,835,400	28,183,708	4,800,000	-	-	2,551,408	40,988,212	5.27%	1,551
2015	1,600,000	668,728	-	708,943	1,771,377	2,676,796	26,598,766	4,325,000	-	420,073	2,323,866	41,093,549	5.07%	1,547
2016	1,400,000	600,728	-	4,744,431	1,521,377	-	28,333,262	3,825,000	-	805,645	2,086,261	43,316,704	5.28%	1,610
2017	1,200,000	529,981	-	5,575,120	1,521,377	-	26,892,223	3,325,000	-	726,238	1,844,647	41,614,586	4.87%	1,536
2018	1,000,000	456,375	-	15,053,972	1,321,377	-	21,502,475	2,800,000	-	1,130,999	1,479,172	44,744,370	4.84%	1,649
2019	800,000	379,796	-	14,011,398	1,321,377	-	20,016,242	2,275,000	-	1,006,500	1,246,734	41,057,047	4.30%	1,507
2020	600,000	300,123	-	13,713,473	1,321,377	-	18,459,554	1,725,000	-	899,586	1,008,835	38,027,948	3.98%	1,396

Notes: (1) See Table 16 for personal income and population data.

CITY OF GLADSTONE, MISSOURI
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less Amounts Available in Debt Service	Total	Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
2011	$ 2,000,000	$ -	$ 2,000,000	0.12%	79
2012	2,000,000	-	2,000,000	0.13%	79
2013	2,000,000	-	2,000,000	0.13%	79
2014	1,800,000	-	1,800,000	0.11%	79
2015	1,600,000	-	1,600,000	0.10%	63
2016	1,400,000	-	1,400,000	0.89%	52
2017	1,200,000	-	1,200,000	0.76%	44
2018	1,000,000	-	1,000,000	0.61%	37
2019	800,000	-	800,000	0.48%	29
2020	600,000	-	600,000	0.35%	22

Notes: (1) See Table 7 for property value data.
(2) See Table 16 for population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF GLADSTONE, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Clay County	$ 7,113,033	12.31%	$ 875,614
North Kansas City School District #74	301,309,999	17.59%	53,000,429
Subtotal, overlapping debt			53,876,043
City direct debt			34,394,527
Total direct and overlapping debt			$ 88,270,570

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Gladstone. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: The debt outstanding data and applicable percentages provided by each governmental entity.

Table 14

CITY OF GLADSTONE, MISSOURI
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit (1)	$ 70,614	$ 70,066	$ 70,107	$ 67,455	$ 68,046	$ 70,094	$ 69,572	$ 73,608	$ 73,568	$ 79,781
Total net debt applicable to limit	2,000	2,000	2,000	1,800	1,600	1,400	1,200	1,000	800	600
Legal Debt Margin	$ 68,614	$ 68,066	$ 68,107	$ 65,655	$ 66,446	$ 68,694	$ 68,372	$ 72,608	$ 72,768	$ 79,181
Total net debt applicable to the limit as a percentage of debt limit	2.832%	2.854%	2.853%	2.668%	2.351%	1.997%	1.725%	1.359%	1.087%	0.752%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	$ 398,904
Debt Limit (20% of assessed value)	79,781
General obligation:	
City-Wide	600
Revenue Bonds	1,725
Total Bonded Debt	2,325
Less:	
Water Utility Bonds	1,725
Debt Service Fund Balance	-
Total net debt applicable to limit	600
Legal debt margin	$ 79,181

Notes:

(1) Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

(1) Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

(1) Article 6, Section 26(d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

CITY OF GLADSTONE, MISSOURI
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Water / Sewer Bonds	Revenues	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	$ 7,109,670	$ 5,999,951	$ 1,109,719	$ 1,100,000	$ 132,419	90.04%
2012	8,101,864	6,590,338	1,511,526	-	207,988	726.74%
2013	8,133,493	6,644,999	1,488,494	450,000	207,988	226.22%
2014	8,392,708	7,166,416	1,226,292	475,000	191,675	183.94%
2015	8,603,605	8,532,690	1,064,131	500,000	176,275	157.35%
2016	8,991,938	8,879,310	1,105,844	500,000	176,275	163.52%
2017	9,626,104	9,090,210	1,529,110	500,000	162,525	230.80%
2018	10,496,313	9,388,422	1,107,891	525,000	146,275	165.04%
2019	10,587,682	9,649,603	938,079	525,000	126,850	143.91%
2020	10,853,150	10,102,537	750,613	550,000	105,588	114.49%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Excludes depreciation, amortization and nonoperating expenses.

Table 16

CITY OF GLADSTONE, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year		Population	Average Household Income (thousands of dollars)	Per Capita Personal Income	Total Personal Income	Median Age	School Enrollment (2)	Unemployment Rate (5)
2011	(4)	25,547	$ 66,021	$ 29,057	$ 742,319,179	35.80	2,804	8.00%
2012	(4)	26,041	66,574	29,229	761,140,542	41.00	2,857	6.60%
2013	(4)	26,256	66,761	29,235	767,598,220	41.40	2,880	6.30%
2014	(4)	26,431	66,840	29,415	777,467,865	41.60	2,880	5.30%
2015	(4)	26,564	69,590	30,504	810,308,256	41.70	2,917	4.50%
2016	(4)	26,909	69,604	30,461	819,675,049	42.00	2,896	3.80%
2017	(4)	27,093	72,098	31,517	853,890,081	42.30	2,865	3.60%
2018	(4)	27,131	77,535	34,091	924,915,015	42.40	2,836	3.50%
2019	(4)	27,250	79,611	35,050	955,112,500	42.40	2,811	8.50%
2020	(6)	27,250	79,611	35,050	955,112,500	42.40	2,811	8.50%

Sources: (2) North Kansas City School District-Gladstone students.
(4) Information provided by DemographicsNow
(5) Bureau of Labor Statistics
(6) 2019 demographic and economic statistics not available.

CITY OF GLADSTONE, MISSOURI
Principal Employers
Last Ten Calendar Years

Employer	2020 Employees	2020 Rank	2020 Percentage of Total City Employment (1)	2011 Employees	2011 Rank	2011 Percentage of Total City Employment (1)
Hy-Vee	372	1	3.51%	244	2	1.51%
Wal-Mart	339	2	3.20%	430	1	2.66%
North Kansas City School District	284	3	2.68%	348	4	2.15%
Par Electrical Contractors	200	4	1.89%			
City of Gladstone	193	5	1.82%	186	3	1.15%
Van Chevrolet	160	6	1.51%	150	5	0.93%
The Home Depot	150	7	1.41%	120	6	0.74%
Gladstone Dodge	114	8	1.07%			
McDonalds	114	9	1.07%	101	7	0.62%
Northtowne Hyundai	103	10	0.97%			
Price Chopper				75	8	0.46%
Total	2,029		19.13%	1,654		10.22%

Notes:

(1) Percentage of total city employment has been estimated based upon estimated population over age 16 less estimated not in labor force.

Source: City of Gladstone Business Licenses, DemographicsNow

Table 18

CITY OF GLADSTONE, MISSOURI
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City manager's office	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	1.0	1.0	2.0	1.0	1.0	-	-	-	-	-
Human resources	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Finance-admin and accounting	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0
Municipal court	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Technology services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Public Safety										
Administration and support	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Police Field Services	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Fire/emergency medical	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0
Public Works										
General Fund										
Administration	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Streets and stormwater	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0
Garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Engineering	3.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Combined Water/Wastewater System										
Water production	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water operations	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0	8.0	9.0
Sewer collections	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Community Development	8.0	8.0	9.0	10.0	10.0	9.0	8.0	8.0	9.0	7.0
Culture and Recreation	22.0	22.0	23.0	24.0	23.0	23.0	24.0	24.0	24.0	23.0
Total	199.0	202.0	203.0	204.0	202.0	200.0	201.0	199.0	200.0	193.0

Source: City of Gladstone Budget

Table 19

CITY OF GLADSTONE, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Police Incident Calls	23,802	29,508	27,599	31,218	32,678	29,714	32,487	30,230	30,716	26,388
Traffic Unit Citations Issued	10,880	14,337	12,996	10,980	8,837	7,986	6,650	6,206	4,816	5,102
Animal Control Service Calls	6,274	6,113	6,334	7,368	6,104	4,297	4,064	3,701	2,371	504
Fire/EMS										
Total Fire Alarms	573	602	589	582	545	545	587	669	637	675
Public Education Audience	2,427	2,514	2,429	2,903	1,230	1,230	6,426	4,278	3,956	1,500
Total EMS Alarms	2,457	2,314	2,401	2,877	2,901	2,901	3,133	3,160	3,200	2,700
Public Works										
Major Street Maintenance (miles)	13	13	6	4	4	5	4.00	2.90	5.15	17.00
Intermediate Street Maintenance (miles)	-	-	6	12	12	4	4	-	-	5
Culture and Recreation										
Park Shelter Reservations	265	375	369	259	259	335	446	440	511	180
Number of Pool Memberships	676	705	510	472	472	556	531	593	542	-
Active Community Center Members	4,215	4,346	4,478	4,056	4,056	4,318	4,456	4,574	4,861	3,469
Theatre in the Park attendance	16,000	12,000	16,000	16,000	16,000	14,200	17,000	14,000	15,000	-
Community Development										
Construction Permits Issued (Calendar year) (a)	1,120	1,006	1,029	2,035	1,236	1,396	1,593	1,373	1,152	1,450
Value of Construction (Calendar year) (a)	7,859,385	11,350,557	42,650,522	14,959,811	42,474,771	26,360,839	17,503,860	17,162,932	16,202,746	43,269,192
Combined Water and Waste Water System										
Number of customers	9,830	9,758	9,820	9,816	9,893	9,983	9,989	9,755	9,858	9,846
Water main breaks	115	115	117	100	96	89	70	101	118	83

Sources: Various City Departments

Notes:
(a) 2020 data is through November 15, 2020

Table 20

CITY OF GLADSTONE, MISSOURI
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Vehicles	21	28	27	29	29	29	30	30	30	30
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	10	12	12	12	12	12	11	12	12	12
Public Works										
Total area (square miles)	8	8	8	8	8	8	8	8	8	8
Paved miles	125	125	125	125	125	125	125	125	125	125
Culture and Recreation										
Park acreage	249.70	249.70	252.00	252.00	252.00	252.00	252.00	252.00	252.00	252.00
Parks	13	13	14	14	14	14	14	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Ball Fields	8	8	8	8	8	8	8	8	8	8
Combined Water and Waste Water System										
Water mains (miles)	136	136	136	136	136	136	136	136	136	136
Fire hydrants	1,275	1,277	1,277	1,277	1,277	1,281	1,281	1,281	1,281	1,290
Maximum daily pumpage (millions of gallons)	8	8	8	8	8	8	8	8	8	8
Number of water treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (sanitary miles)	127	127	127	127	127	127	127	127	127	127
Sewers mains (storm sewer miles)	50	50	50	50	50	50	50	50	50	50

Sources: Various city departments

COMPLIANCE SECTION

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members of the City Council
City of Gladstone, Missouri:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gladstone, Missouri (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 18, 2020
Topeka, Kansas

APPENDIX C

FORMS OF THE DOCUMENTS

GROUND LEASE

between

CITY OF GLADSTONE, MISSOURI,
as Lessor/Grantor

and

SECURITY BANK OF KANSAS CITY,
as Lessee/Grantee

Dated as of June 1, 2021

Grantor Address: City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118
Attention: City Manager

Grantee Address: Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

Legal Description may be found on Page A-1 of this document.

GROUND LEASE

THIS GROUND LEASE (the "Ground Lease"), dated as of June 1, 2021, by and between the **CITY OF GLADSTONE, MISSOURI** (the "City"), as lessor, and **SECURITY BANK OF KANSAS CITY**, a state banking corporation organized under the laws of the State of Kansas in its capacity as Trustee under the herein defined Indenture (together with its successors, the "Trustee"), as lessee:

WITNESSETH:

WHEREAS, the City is a city and political subdivision duly organized and existing under the laws of the State of Missouri with full lawful power and authority to enter into this Ground Lease; and

WHEREAS, the Trustee is a Kansas state banking corporation with full lawful power and authority to enter into this Ground Lease; and

WHEREAS, the City owns fee simple title in the real estate described on **Exhibit A** attached hereto, together with any improvements located or to be located thereon (the "Leased Property"); and

WHEREAS, the City desires to lease all its present or hereafter acquired interest in the Leased Property to the Trustee upon the terms and conditions herein set forth; and

WHEREAS, the Trustee concurrently herewith (a) executed an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), under which the Trustee will issue City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A (the "Series 2021A Certificates") to provide funds to (i) finance or reimburse the City for the costs of certain capital improvement throughout the City (the "Project") and (ii) pay the costs of issuance of the Series 2021A Certificates, and (b) lease the Leased Property back to the City pursuant to a Lease Purchase Agreement of even date herewith (the "Lease");

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City and the Trustee do hereby covenant and agree as follows:

Section 1. Representations by the City. The City represents, warrants and covenants as follows:

(a) The lease of the Leased Property to the Trustee and the lease of the Leased Property by the Trustee to the City, as provided in the Lease, is necessary, desirable and in the public interest and the City hereby declares its current need for the Leased Property;

(b) The City has the power and authority to enter into the transactions contemplated by this Ground Lease and the Lease and to carry out its obligations hereunder and thereunder, and has been duly authorized to execute and deliver this Ground Lease and the Lease and by proper action has duly authorized the execution and delivery of this Ground Lease and the Lease;

(c) Neither the execution and delivery of this Ground Lease nor the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or the Leased Property is bound;

(d) The City has good and marketable fee title to the Leased Property free and clear of any liens or encumbrances, except Permitted Encumbrances, and such real estate is exempt from property and any other taxes levied by the State of Missouri or any other political subdivision;

(e) All taxes, assessments or impositions of any kind with respect to the Leased Property, except current taxes, if any, have been paid in full;

(f) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in any property now or hereafter included in the Leased Property shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Ground Lease and the Lease; and

(g) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal relating to the Leased Property or challenging the validity of the proceedings of the City authorizing this Ground Lease and the Lease or the power or authority of the City to enter into the Lease or this Ground Lease or the validity or enforceability of the Lease or this Ground Lease or which, if adversely determined, would adversely affect the transactions contemplated by the Lease or this Ground Lease or the interest of the City under the Lease or this Ground Lease.

(h) The lease of the Leased Property by the City, as provided in this Ground Lease, will enhance and expand the use of public facilities owned by the City and as a result thereof will serve all of the aforesaid purposes and is therefore essential, desirable and in the public interest.

(i) The Leased Property complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 2. Lease.

(a) The City hereby leases to the Trustee, and the Trustee hereby rents and leases from the City, the Leased Property on the terms and conditions hereinafter set forth.

(b) The City agrees that if, at any time prior to the termination of this Ground Lease, it acquires fee title or any other or greater estate to the Leased Property, that this Ground Lease shall attach and extend to such fee simple title or other or greater estate of the Leased Property.

Section 3. Additional Certificates. The Trustee may deliver Additional Certificates for the purposes and upon the terms and conditions provided in the Indenture. If the City is not in default hereunder, the Trustee agrees, on request of the City, from time to time, to use its best efforts to cause the Trustee to deliver the amount of Additional Certificates specified by the City (within the limits and under the conditions specified herein and in the Indenture), provided that (a) the terms, purchase price and disposition of proceeds of the sale of such Additional Certificates have been approved in writing by the City; (b) the City shall have entered into an amendment to the Lease, if necessary, and this Ground Lease, if necessary, to provide for the lease of any additional improvements and extensions to the property of the City and the payment by the City of additional Base Rentals related to the use of such additional improvements for the City; and (c) the Trustee shall have otherwise complied with the provisions of the Indenture with respect to the delivery of such Additional Certificates.

Section 4. Term. The term of this Ground Lease shall commence as of the date of the delivery hereof, and shall end on June 30, 2064, unless such term is sooner terminated as hereinafter provided.

Section 5. Rental. As and for rental hereunder and in consideration for the leasing of the Leased Property to the Trustee, the Trustee shall take the following actions:

(a) simultaneously with the delivery of this Ground Lease, enter into the Lease;

(b) simultaneously with the delivery of this Ground Lease, deposit the proceeds of the Series 2021A Certificates as provided in the Indenture.

Section 6. Assignment, Sublease, Release or Encumbrance. The Trustee may assign this Ground Lease and its rights hereunder or lease the Leased Property without the written consent of the City (i) if the Lease is terminated for any reason, or (ii) if an Event of Default has occurred and is continuing.

Section 7. Termination. This Ground Lease shall terminate upon the completion of the term set forth in **Section 3** hereof; provided, however, if the City pays, or provides for the payment of, the Option Price or pays all of the Base Rentals and Supplemental Rent provided for in **Article III** of the Lease and exercises its option to purchase the Trustee's interest in the Leased Property pursuant to **Article XII** of the Lease, then this Ground Lease shall be considered assigned to the City and terminated through merger of the leasehold interest hereunder with the fee interest of the City if the City is the owner of the fee interest.

If an Event of Default (which includes any grace period contained therein) under the Lease occurs or if the City terminates the Lease pursuant to **Section 3.09** of the Lease, the Trustee shall have the right to possession of the Leased Property for the remainder of the term of this Ground Lease and shall have the right to sublease the Leased Property or sell its interest in the Leased Property and this Ground Lease upon whatever terms and conditions it deems prudent; provided, however, that for the remainder of the term of this Ground Lease the Trustee (or, in the event of the Trustee's assignment of its rights hereunder, its then current assignee instead of the Trustee) shall provide, solely from funds available in the Trust Estate, the City with public liability insurance covering the premises for the remainder of the term of this Ground Lease and will furnish the Trustee with evidence thereof. Upon any termination of the Lease, the City shall have no further responsibility or liability to the Trustee under the Lease with respect to the Leased Property except as provided in the Lease and this Ground Lease; provided, however, in no event shall such limitation relieve the City of any amount it may be obligated to pay under the Lease.

Section 8. Default. Notwithstanding any default by the Trustee hereunder, the City shall not have the right to exclude the Trustee from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease) or to terminate this Ground Lease prior to the expiration of its term as set forth in **Section 3** hereof, except that if, upon the exercise of the option to purchase the Trustee's interest in the Leased Property granted to the City in **Article XII** of the Lease and after the payment of the purchase price specified therein and other sums payable under the Lease, the Trustee fails to convey its interest in the Leased Property to the City pursuant to said option, then the City shall have the right to terminate this Ground Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Trustee. In the event of any default by the Trustee hereunder, the City may maintain an action for damages or, if permitted in equity, for specific performance. In no event shall the Trustee be liable for consequential or punitive damages.

Section 9. Quiet Enjoyment.

(a) At all times during the term of this Ground Lease, the Trustee shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the rights of the City under the Lease.

(b) The Trustee shall use the Leased Property solely for the purpose of financing the costs of acquiring, constructing, improving, furnishing and equipping the Project and financing the costs of acquiring, constructing, improving, furnishing and equipping other improvements on the Leased Property for the City pursuant to the Lease; provided, that in the event of default or an event of nonappropriation by the City under the Lease, the Trustee may exercise the remedies provided in the Indenture, the Lease and this Ground Lease.

(c) In the event that title to, or the temporary use of, all or a portion of the Leased Property is challenged or threatened by means of competent legal or equitable action, the City covenants that it shall cooperate with the Trustee and shall take all reasonable actions, including where appropriate the lawful exercise of the City's power of eminent domain, in order to quiet title to the Leased Property in the City.

Section 10. No Merger. No union of the interests of the City and the Trustee herein shall result in a merger of this Ground Lease and the title to the Leased Property, except as described in **Section 6** hereof.

Section 11. Taxes and Assessments. So long as the Lease is in effect the City covenants and agrees to pay, and to hold harmless and indemnify the Trustee from and against, any and all assessments, charges or taxes of any kind or character levied or assessed upon or against the Leased Property. Upon any termination of the Lease, the Trustee (or, if the Trustee has assigned its rights hereunder, its then current assignee instead of the Trustee) shall be responsible for such assessments, charges or taxes, but solely from funds available in the Trust Estate.

Section 12. Covenants Regarding Environmental Matters. The City hereby covenants that it has carried at the Leased Property and agrees to carry on the business and operations at the Leased Property in a manner that complies in all respects, and will remain in compliance, with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment.

Section 13. Waiver of Personal Liability. All obligations or liabilities under this Ground Lease on the part of the Trustee are solely corporate liabilities of the Trustee as a corporation acting in its capacity as Trustee, and, to the extent permitted by law, the City hereby releases each and every director, officer, agent or employee of the Trustee of and from any personal or individual liability under this Ground Lease. No director, officer, agent or employee of the Trustee shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the Trustee hereunder.

All obligations or liabilities under this Ground Lease on the part of the City are solely corporate liabilities of the City as a municipal corporation, and, to the extent permitted by law, the Trustee hereby releases each and every official, member, employee or agent of the City of and from any personal or individual liability under this Ground Lease. No official, member, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the City hereunder.

Section 14. Eminent Domain; Title Insurance. The City shall concurrently with the execution of this Ground Lease obtain for the Trustee an ALTA form leasehold owner's policy of title insurance, such policy to be in the face amount equal to the principal amount Series 2021A Certificates naming the Trustee, as insured beneficiary of such policy, as its interests may appear, and issued by a title company duly authorized to issue the same and in a form acceptable to the Trustee showing fee simple title in the name of the City, as lessor, and a leasehold estate in the Leased Property in the name of the Trustee, as lessee. If the whole or any part of the Leased Property is taken by eminent domain proceedings, the

interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article VIII** of the Lease. The City hereby assigns to the Trustee its interest in any condemnation award or title insurance proceeds respecting the Leased Property to the extent necessary to provide for the payment of the Certificates and to discharge the Indenture in accordance with **Article VIII** thereof. Any proceeds from said title insurance shall be deposited with the Trustee and used to pay principal of and interest on the Certificates and to discharge the Indenture to the extent required and, thereafter, any excess shall be paid to the City.

In the event the whole or any part of the Leased Property or the Project is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in the Lease. The Trustee and the City have reached an agreement on the terms of the acquisition of the Leased Property at the City's option, and to the use of the Project, all as set forth in the Lease. Any acquisition of the Leased Property or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Base Rentals and the applicable Option Price as set forth in the Lease. If the City allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the maximum lease term or failure to cure an Event of Lease Default), that action shall constitute an irrevocable determination by the City that the Leased Property is not required by it for any public purpose for the term of this Ground Lease.

Section 15. Leaseback to the City. Contemporaneously herewith, the Trustee and the City will execute the Lease whereby the Trustee subleases back to the City and the City subleases from the Trustee the Leased Property, including all improvements constructed or installed on the Leased Property, including the Project, all in accordance therewith. The Lease includes in **Article XII** thereof the option of the City, upon payment of the specified purchase price, to purchase the Trustee's interest in the Leased Property.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Ground Lease is to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All written notices to be given under this Ground Lease shall be given by mail to the party entitled thereto as set forth in the Indenture.

Section 18. Definitions. In addition to words and terms defined elsewhere in this Ground Lease, capitalized words and terms used in this Ground Lease shall have the meanings given to such words and terms in **Section 1.01** of the Indenture.

Section 19. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

Section 20. Amendments, Changes and Modifications. This Ground Lease may be amended only in the manner provided in **Article VI** of the Indenture. Any waiver of any provision of this Ground Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

Section 21. Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 22. Execution. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may be executed by the Trustee and the City all with the same force and effect as though the same counterpart had been executed by both the Trustee and the City.

Section 23. Successors. This Ground Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 24. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 25. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Trustee and the City have caused this Ground Lease to be signed by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF GLADSTONE, MISSOURI,
as Lessor

By:_____
Name: Scott Wingerson
Title: City Manager

ATTEST:

_____
Name: Ruth Bocchino
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for said State, appeared **SCOTT WINGERSON**, to me personally known, who, being by me duly sworn, did say that he is the City Manager of the **CITY OF GLADSTONE, MISSOURI**, a political subdivision of the State of Missouri, and that said instrument was signed in behalf of said City by authority of its governing body, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

_____
Notary Public - State of Missouri

(SEAL)

My commission expires: _____.

SECURITY BANK OF KANSAS CITY,
as Lessee

[SEAL]

By:_____
Name:
Title:

ATTEST:

_____
Name:
Title:

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

On this _____ day of _____, 2021, before me, the undersigned, a Notary Public in and for said State, appeared _____, to me personally known, who, being by me duly sworn, did say that he/she is a _____ of **SECURITY BANK OF KANSAS CITY**, a Kansas state banking corporation, and that said instrument was signed and sealed in behalf of said association by authority of its Board of Directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

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

_____
Notary Public - State of Kansas

(SEAL)

My commission expires: _____.

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

LEASE PURCHASE AGREEMENT

between

SECURITY BANK OF KANSAS CITY,
as Lessor

and

CITY OF GLADSTONE, MISSOURI,
as Lessee

Dated as of June 1, 2021

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (the "Lease") dated as of June 1, 2021, by and between **SECURITY BANK OF KANSAS CITY**, a Kansas state banking corporation in its capacity as Trustee under the Indenture (the "Lessor"), and the **CITY OF GLADSTONE, MISSOURI**, a third class City and political subdivision of the State of Missouri (the "Lessee").

WITNESSETH:

WHEREAS, the Lessee owns certain real estate as legally described in **Exhibit A** hereto and the improvements located thereon (the "Leased Property"); and

WHEREAS, the Lessee concurrently herewith is conveying to the Lessor a leasehold interest in all its present or hereafter acquired interest in the Leased Property pursuant to a Ground Lease dated as of June 1, 2021 (the "Ground Lease") by and between the Lessee and the Lessor; and

WHEREAS, the Lessor is willing to lease the Leased Property back to the Lessee, and the Lessee desires to lease the Leased Property from the Lessor, upon the terms and conditions and for the purposes set forth herein; and

WHEREAS, in order to provide funds to pay the costs of the Project (as described in **Exhibit B** hereto), the Lessor, as Trustee, concurrently herewith has executed an Indenture of Trust dated as of June 1, 2021 (the "Indenture") pursuant to which the Lessor will (1) execute and deliver City of Gladstone, Missouri (Capital Projects), Series 2021A, in the principal amount of $14,840,000 (the "Series 2021A Certificates"), evidencing interests in the right to receive such Base Rentals to be paid by the Lessee and other payments, revenues and receipts to be derived pursuant to the Lease, and (2) grant, assign and hold in trust all of its right, title and interest in and to the Lease (including its right to receive Base Rentals and certain other payments as provided therein) for the benefit and security of the Owners of the Certificates as therein provided; and

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined elsewhere in this Lease, capitalized words and terms used in this Lease shall have the meanings given to such words and terms in **Section 1.01** of the Indenture.

Section 1.02. Rules of Construction.

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

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

(c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

(d) All references in this Lease to designated "Articles", "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein", "hereof", "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(e) The Table of Contents and the Article and Section headings of this Lease shall not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.

ARTICLE II

DEMISE OF THE LEASED PROPERTY; LEASE TERM

Section 2.01. Demise of the Leased Property. In connection with the delivery of the Certificates, the Lessee has conveyed a leasehold interest in the Leased Property to the Lessor pursuant to the Ground Lease. The Lessor hereby rents, leases and demises to the Lessee, and the Lessee hereby leases from the Lessor, the Leased Property, subject to Permitted Encumbrances, on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease.

Section 2.02. Commencement of the Term of the Lease. The initial term of this Lease shall expire on June 30, 2021 (the "Initial Term"), subject to the Lessee's option to extend the term of this Lease for successive one-year renewal terms commencing July 1, 2021, and a final renewal term ending March 1, 2044 (herein referred to individually as a "Renewal Term" and collectively as the "Renewal Terms"). The terms and conditions of this Lease during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Base Rentals and the Option Price will be as specified in **Schedule I** attached hereto for each Renewal Term. Each option shall be exercised by the appropriation by the City Council of the Lessee, in accordance with applicable law, of sufficient moneys (after taking into account any moneys legally available for such purpose) specifically designated for the payment of Base Rentals required hereunder and adequate moneys to pay the reasonably estimated Supplemental Rent (calculated as provided in **Section 3.01(b)** hereof) for the next succeeding Renewal Term as provided herein. Such appropriation shall automatically extend the term of this Lease for the succeeding Renewal Term without any further action required by any officers or officials of the Lessee.

During the Term of this Lease, the Lessee covenants and agrees that the officials and officers of the City will include in the budget proposals submitted to the City Council of the Lessee, in each year during the Term of this Lease, a request or requests for an appropriation equal to the Base Rentals and reasonably estimated Supplemental Rent to become due during the next succeeding Renewal Term. It is the intention of the Lessee that the decision to appropriate the Base Rentals and reasonably estimated Supplemental Rent pursuant to this Lease shall be made solely by the City Council of the Lessee, and not by any officer or official of the Lessee. The Lessee presently expects to, in each Fiscal Year of the Lessee during the Term of this Lease, appropriate funds for the Base Rentals and the reasonably estimated Supplemental Rent so that the Base Rentals and Supplemental Rent to be paid during the succeeding Fiscal Year will be available for such purposes.

If, by the date on which the Lessee is required by law to have adopted a budget for the current fiscal year, sufficient funds are not appropriated by the City Council for the payment of the Base Rentals and the reasonably estimated Supplemental Rent during such fiscal year and funds are not otherwise legally available for such purpose, the Lessee shall vacate the Leased Property as of the expiration of the Initial Term or Renewal Term for which funds have been appropriated.

Section 2.03. Expiration or Termination of the Term of the Lease. The Term of this Lease will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property as described in **Section 2.04** hereof, upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term for which there occurs an Event of Nonappropriation (which is not thereafter waived by the Lessor as herein provided); (b) on the Optional Prepayment Date on which the Lessee has purchased the Lessor's interest in the Leased Property pursuant to **Section 12.01** hereof; (c) an Event of Default and a termination of the Term of this Lease as to the possessory interest of the Lessee as herein provided; (d) discharge of the Indenture as therein provided; or (e) March 1, 2044.

Section 2.04. Effect on the Lessee of Expiration or Termination of the Term of the Lease. The expiration or termination of the Term of this Lease as to the Lessee's right of possession of the Leased Property pursuant to **Section 2.03** hereof shall terminate all obligations of the Lessee hereunder (except to the extent that the Lessee incurred any obligation to pay Payments from moneys theretofore appropriated and available for such purpose) and shall terminate the Lessee's rights of use and occupancy of the Leased Property; provided, however, that all other terms of this Lease and the Indenture, including the continuation of the Lessee's purchase right under **Section 12.01** hereof, subject to the limitation set forth in **Section 12.04** hereof, and all obligations of the Lessor with respect to the Owners of the Certificates and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged or foreclosed, as provided in the Indenture. The termination or expiration of the Term of this Lease as to the Lessee's right of possession pursuant to **Section 2.03** hereof, of itself, shall not discharge the lien of the Indenture.

ARTICLE III

AMOUNTS PAYABLE

Section 3.01. Amounts Payable. The Lessee shall pay the Base Rentals and the Supplemental Rent (but shall not be entitled to prepay or cause to be prepaid any such Base Rentals or Supplemental Rent, except as otherwise expressly provided in the Indenture or in **Sections 3.01(c), 8.01(c)** and **12.01** hereof, in which event such moneys shall be applied to the prepayment of the Certificates in accordance with **Sections 2.02** and **3.06**, respectively, of the Indenture) in the amounts, at the times, and in the manner set forth herein, said amounts constituting in the aggregate the total of the annual Payments which are payable under this Lease, as follows:

(a) *Base Rentals*. The Lessee agrees, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose and subject to the use of proceeds from the sale of the Certificates to pay Base Rentals as provided herein, and otherwise subject to the limitations of **Section 3.04** hereof, to pay to the Lessor as provided in **Section 3.06** hereof during the Initial Term and each Renewal Term:

(i) Base Rentals representing a Principal Component payable in annual installments on March 1 for each Renewal Term of this Lease as indicated in the Base Rental Payment Schedule attached as **Schedule I** hereto; and

(ii) Base Rentals representing an Interest Component payable on each March 1 and September 1 for the Term of this Lease as indicated in the Base Rental Payment Schedule attached as **Schedule I** hereto.

The Base Rentals are to be recalculated by the Lessor and the Lessee understands that the Base Rental Payment Schedule attached as **Schedule I** hereto shall be revised from time to time in the event of a partial prepayment of Certificates (other than mandatory prepayments, if any, pursuant to **Section 3.02** of the Indenture) or the delivery of Additional Certificates pursuant to **Section 2.08** of the Indenture. To provide for the timely payment of Base Rentals, the Lessee covenants and agrees to pay to the Lessor for deposit in the Certificate Fund the following amounts on the following dates:

(i) With respect to each March 1 Base Rental, the City will deposit the amount of such Base Rental no later than the 15th Business Day prior to such payment date; and

(ii) With respect to each September 1 Base Rental, the City will deposit the amount of such Base Rental no later than the 15th Business Day prior to such payment date.

The City may satisfy the foregoing requirement to deposit funds by delivering US Treasury securities which will mature prior to the applicable Payment Date in a maturity amount of not less than the amount of the applicable Base Rental. The Lessor shall notify the Lessee of the amount of such payment not later than 30 days prior to each Payment Date; provided, however, that failure of the Lessor to give such notice shall not relieve the Lessee of its obligation to pay Base Rentals or to make deposits to the Certificate Payment Fund as described herein.

(b) *Supplemental Rent*. In addition to the Base Rentals hereinabove set forth, and as part of the total Payments during each Renewal Term for the Term of the Lease, the Lessee shall pay on a timely basis, to the parties entitled thereto, an amount or amounts (the "Supplemental Rent") for the Renewal Term to which the following items apply or relate, equivalent to the sum of the following:

(i) the annual fee of the Lessor for the ordinary services of the Lessor rendered and its ordinary expenses incurred under the Indenture;

(ii) the reasonable fees and charges of the Lessor, any paying agent and any registrar appointed under the Indenture with respect to the Certificates for acting as trustee, paying agent and registrar as provided in the Indenture, including but not limited to those payable pursuant to **Section 9.06** of the Indenture;

(iii) the reasonable fees and charges of the Lessor for extraordinary services rendered by it and extraordinary expenses incurred by it as Lessor under the Indenture.

(c) *Prepayment of Base Rentals*. If the Lessee is not in default in making Payments under **Section 3.01** hereof, the Lessor, at the written direction of the Lessee, at any time when the aggregate moneys in the Certificate Payment Fund are sufficient for such purposes, shall (i) if the Outstanding Certificates are then prepayable under **Article III** of the Indenture, take all steps that may be necessary under the applicable prepayment provisions of the Indenture to effect the prepayment of all or such part of the then Outstanding Certificates as may be specified by the Lessee, on such prepayment date as may be specified by the Lessee, (ii) cause moneys in the Certificate Payment Fund or such part thereof as the Lessee shall direct to be applied by the Lessor for the purchase of Certificates in the open market for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation, or (iii) a combination of (i) and (ii) as provided in such direction.

Section 3.02. Consideration. The payments of Base Rentals and Supplemental Rent hereunder for each Renewal Term during the Term of the Lease shall constitute the total Payments which are payable for each Renewal Term and shall be paid by the Lessee in consideration of the right to use and occupy the Leased Property.

The Lessee hereby declares its current need for the Leased Property. The Lessee has determined that the Base Rentals hereunder during the Initial Term and any Renewal Term represent the fair value of the use of the Leased Property, and that the Option Price as provided in **Schedule I** hereof represents the fair purchase price of the Lessor's interest in the Leased Property. The Lessee hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the Lessee under an economic compulsion to renew this Lease or to exercise its option to purchase the Lessor's interest in the Leased Property hereunder. In making such determinations the Lessee has given consideration to the costs of the Leased Property, the uses and purposes for which the Leased Property will be employed by the Lessee, the benefit to the Lessee by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and the Lessee's option to purchase the Lessor's interest in the Leased Property. The Lessee hereby declares that the period during which the Lessee has an option to purchase the Lessor's interest in the Leased Property (i.e., the maximum term of this Lease including all Renewal Terms) does not exceed the useful life of the Leased Property.

Section 3.03. Covenant to Request Appropriations. Subject to **Section 3.04** hereof, the Lessee agrees that it will (i) include in its budget request to the City Council of the Lessee all moneys that are necessary to fulfill the Lessee's obligations pursuant to this Lease, and (ii) seek an appropriation of such funds in a timely fashion so as to allow the Lessee to pay its obligations when due.

Section 3.04. Limitations on Liability.

(a) Notwithstanding any provision or covenant contained in this Lease, the Indenture or the Certificates, the Lessee is not obligated to renew this Lease beyond the Initial Term or any Renewal Term, nor is the City Council obligated to budget or appropriate moneys to pay Base Rentals or Supplemental Rent beyond the end of the Initial Term or any Renewal Term in effect at a given time. The Lessee shall be under no obligation to levy any taxes in order to raise revenues to pay Base Rentals or Supplemental Rent, except to the extent required during the Initial Term or any Renewal Term for which the Lessee is obligated. In no event shall the Lessee be obligated to levy any tax in excess of the maximum levy permitted by law.

If the Lessee fails to make any portion of the Payments due hereunder, the Lessee will immediately quit and vacate the Leased Property, and the Payments (except for Payments which have been appropriated and are then available for such purpose) shall thereupon cease. If the Lessee fails to pay any portion of the required Payments and then fails to immediately quit and vacate the Leased Property, the Lessor in accordance with the Indenture may immediately bring legal action to evict the Lessee from the Leased Property (and the Lessee shall, to the extent permitted by law, pay as damages for its failure to quit and vacate the Leased Property upon termination of the then current term of the Lease in violation of the terms hereof an amount equal to the Base Rentals otherwise payable during such term prorated on a daily basis) and commence proceedings to foreclose the lien of the Indenture. No judgment may be entered against the Lessee for failure to make any Payments, or to pay the Option Price hereunder, except to the extent that the Lessee has theretofore incurred liability to make any such Payments through its actual use and occupancy of the Leased Property, or through its exercise of an option that renews this Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to make such Payments pursuant to **Section 8.01** hereof.

(b) The Payments constitute current expenses of the Lessee. The Lessee's obligations hereunder are from year to year only and do not constitute an indebtedness, liability or a mandatory

payment obligation of the Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year of the Lessee. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the Lessee within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease nor the execution and delivery of the Certificates directly or indirectly obligates the Lessee to make any payments hereunder beyond those appropriated for the Lessee's then current Fiscal Year; provided, however, that nothing herein shall be construed to limit the rights of the Owners of the Certificates or the Lessor to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture. The Lessee shall be under no obligation whatsoever to exercise its option to purchase the Lessor's interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of the Lessee's moneys.

(c) No obligation assumed by or imposed upon the Lessor hereunder shall require the performance of any act by the Lessor except to the extent, if any, that the cost and expense of such performance may be provided for from the proceeds of the sale of the Certificates or from the proceeds of any Additional Certificates or paid by the Lessee hereunder as Supplemental Rent. Failure of the Lessor to perform any such act shall not entitle the Lessee to terminate this Lease.

Section 3.05. Unconditional Obligation. It is understood and agreed that:

(a) The obligations of the Lessee under this Lease to make Payments during the Initial Term or any Renewal Term on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall, subject to the provision of subsection (b) hereof, and **Section 3.09** herein, be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, diminution or defense whatsoever, whether now existing or hereafter arising, and notwithstanding any damage to, loss, theft or destruction of the Leased Property or any part thereof, any failure of consideration, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Leased Property, legal curtailment of the Lessee's use thereof, the eviction or constructive eviction of the Lessee, any change in the tax or other laws of the United States of America, the State of Missouri or any political subdivision thereof, any change in the Lessor's legal organization or status, or any default of the Lessor hereunder, and regardless of the invalidity of any action of the Lessor, and regardless of the invalidity of any portion of this Lease.

(b) Nothing in this Lease shall be construed to release the Lessor from the performance of any agreement on its part herein contained or as a waiver by the Lessee of any rights or claims which the Lessee may have against the Lessor under this Lease or otherwise. Any recovery upon such rights and claims shall be had from the Lessor separately, it being the intent of this Lease that the Lessee shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease (including the obligation to make Payments) for the benefit of the Owners of the Certificates, but only during the Initial Term or a given Renewal Term. The Lessee may, however, at its own cost and expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding if the Lessee shall so request.

Section 3.06. Payment. Each Base Rental payment shall be paid in lawful money of the United States of America, on the Payment Date on which it is due. Each Supplemental Rent payment shall be paid when due in lawful money of the United States of America, at the appropriate office as designated by the respective payees entitled to receive such Supplemental Rent.

Section 3.07. Credit on Base Rentals. There shall be credited against Base Rentals any amount held in the Certificate Payment Fund on each Payment Date, including the portion of the proceeds of the sale of the Certificates deposited in the Certificate Payment Fund as accrued interest.

Section 3.08. Applications of Base Rentals and Option Price. All Base Rentals and, if paid, the Option Price shall be paid to the Lessor for application in accordance with the Indenture.

Section 3.09. Nonappropriation.

(a) If the City Council does not appropriate, by the date on which the Lessee is required by law to have adopted a budget for the then current fiscal year, moneys sufficient to pay all Base Rentals and the reasonably estimated Supplemental Rent coming due during such fiscal year, an Event of Nonappropriation shall be deemed to have occurred. The Lessor may waive any Event of Nonappropriation which is cured by the Lessee within a reasonable time if, in the Lessor's judgment, such waiver is in the best interests of the Owners of the Certificates.

If an Event of Nonappropriation occurs, the Lessee shall not be obligated to pay the Base Rentals or Supplemental Rent provided for herein which accrue after the last day of the Initial Term or the then current Renewal Term, except for the Lessee's obligation to make Payments which are payable prior to the termination of this Lease; provided, however, that, subject to the limitations of **Section 3.04** hereof, the Lessee shall continue to be liable for the Base Rentals and Supplemental Rent allocable to any period during which the Lessee continues to occupy the Leased Property. The Lessor shall, upon the occurrence of any Event of Nonappropriation and a foreclosure of the lien of the Indenture, have all rights and remedies to take possession of the Leased Property as trustee for the benefit of the Owners of the Certificates and shall be further entitled to all moneys then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Lessor upon the termination of this Lease or the Lessee's possessory interests hereunder by reason of an Event of Nonappropriation shall be held by the Lessor under the Indenture for the benefit of the Owners of the Certificates as set forth in the Indenture until the Certificates are paid in full.

(b) The parties hereto agree that, upon the occurrence of an Event of Nonappropriation (which is not waived), the Lessee shall immediately quit and vacate the Leased Property upon termination of the term of the Lease for which funds have been appropriated.

Section 3.10. Advances by the Lessor. If the Lessee fails to pay any Supplemental Rent required by this Lease, the Lessor may (but shall be under no obligation to) pay such Supplemental Rent, which Supplemental Rent shall constitute additional Base Rentals hereunder and are to be reimbursed to the Lessor, by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose, together with interest thereon at the prime rate plus 2% of the Lessor.

ARTICLE IV

DELIVERY OF CERTIFICATES; USE OF PROCEEDS; TAX COVENANTS

Section 4.01. Delivery of Certificates. For the purpose of providing funds to (a) pay the costs of the Project, and (b) pay all costs and expenses incidental to the delivery of the Series 2021A Certificates, the Lessor shall cause the Certificates to be executed and delivered pursuant to the Indenture and shall cause the proceeds from the sale thereof to be applied as provided in the Indenture.

Section 4.02. Acquisition, Construction and Installation of the Project.

(a) The Lessee will acquire, construct and install the Project in accordance with the Construction Contracts and the Plans and Specifications. The Lessee may make minor changes in and to the Construction Contracts and the Plans and Specifications incorporated therein, but major changes shall only be made with the approval of the Trustee. The Lessee agrees that it will use its best efforts to cause the Project to be completed as soon as practicable with all reasonable dispatch. The Lessee agrees that the aforesaid construction and installation will, with such changes and additions as may be made hereunder, result in Leased Property suitable for use by the Lessee.

(b) The Lessee shall have and keep on file and available for inspection by the Lessor copies of the Plans and Specifications, the Construction Contracts, all policies of insurance with respect to the Project required by this Lease and all other documents executed by or furnished to the Lessee in connection with the acquisition and construction of the Project, throughout the Lease Term, or as soon after the commencement of the Lease Term as such documents shall become available to the Lessee. Neither such documents nor any change or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a material reduction in the value of the Project; or (iii) adversely affect the ability of the Lessee to meet its obligations hereunder.

Section 4.03. Deficiency of Construction Fund. If the moneys in the Construction Fund are insufficient to pay fully all Costs of the Project and to complete fully the Project lien free, the Lessee shall pay, but only from legally available funds, the full amount of any such deficiency by making payments directly to the contractors for the Project and to the suppliers of materials and services as the same become due; provided that the Lessee's obligation to pay any such deficiency shall be limited to its current budgeted appropriations for the Project, and the Lessee shall have no obligation to appropriate additional funds therefore.

Section 4.04. Tax Covenants. The Lessee covenants for the benefit of the purchasers and Owners of the Certificates from time to time Outstanding that so long as any of the Certificates remain Outstanding, it will not take any action or permit any action to be taken or omit to take any action or permit the omission of any action reasonably within its control which action or omission will cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code, which will cause such Certificates to be subject to treatment under Section 141 of the Code as "private activity bonds," or which will cause the Interest Component of Base Rentals with respect to Certificates to be included in gross income for federal and Missouri income tax purposes or otherwise adversely affect such exclusion of the Interest Component of Base Rentals from federal and State of Missouri income taxation. This covenant shall survive the termination of this Lease and the Indenture.

Section 4.05. Establishment of Completion Date. The Completion Certificate shall be delivered to the Trustee stating (i) that the acquisition, construction, improvement, furnishing and equipping of the Project has been completed in accordance with the Plans and Specifications, (ii) that all costs and expenses incurred in the acquisition, construction, improvement, furnishing and equipping of the Project have been paid except costs and expenses the payment of which is not yet due or is being retained or contested in good faith by the Lessee, and (iii) amounts to be retained by the Trustee with respect to item (ii) above. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

ARTICLE V

MAINTENANCE AND OPERATION

Section 5.01. Maintenance and Operation. The Lessee shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The Lessee shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating, water and all other public utility services.

Section 5.02. Care of the Leased Property.

(a) The Lessee shall take good care of the Leased Property, fixtures and appurtenances, and suffer no waste or injury thereto, ordinary wear and tear excepted. The Lessee will repair all damage to the Leased Property, its fixtures and appurtenances due to any act or omission or cause whatsoever.

(b) There shall be no allowance to the Lessee for diminution in or abatement of the Payments and no liability on the part of the Lessor by reason of inconvenience, annoyance or injury to business arising or resulting from the Lessor, the Lessee or others making repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to fixtures or appurtenances thereof, and no liability upon the Lessor or others to make any repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to the fixtures or appurtenances thereof. The foregoing shall not be construed to mean that the Lessor has any such obligations.

ARTICLE VI

INSURANCE AND TAXES

Section 6.01. Casualty, Public Liability and Workers' Compensation Insurance.

(a) The Lessee shall at all times maintain or cause to be maintained with responsible insurers all such insurance (including casualty, public liability and workers' compensation insurance) on the Leased Property (valued as defined below) which is customarily maintained (in amounts not less than provided below) with respect to properties of like character.

The Lessee shall, during the term of this Lease, keep or cause to be kept a policy or policies of insurance against loss or damage to the Leased Property resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily defined as "extended coverage" and as commonly insured against for properties of like kind and character. Such insurance may be carried in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee. Such insurance shall be maintained in an amount not less than the principal amount of the then Outstanding Certificates or the full insurable value of the Leased Property, whichever amount is greater, subject to reasonable loss deductible clauses. The term "full insurable value" as used in this subsection shall mean the actual replacement cost of the Leased Property, without deduction for physical depreciation. The "full insurable value" shall be determined at the expense of the Lessee from time to time, but not less frequently than once in every thirty-six (36) months, and certified in writing to the Lessor.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of Missouri, except as otherwise

hereinafter provided. The Lessee may satisfy any of the insurance requirements set forth in this Section by using blanket policies of insurance, provided the Lessee complies with all requirements of this Section.

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days prior written notice to the Lessor. Certificates evidencing such policies shall be deposited with the Lessor together with appropriate evidence of payment of the premiums therefor, and at least thirty (30) days prior to expiration dates of expiring certificates held by the Lessor, new certificates shall be deposited with the Lessor together with evidence of payment of premiums with respect to insurance coverage evidenced thereby.

All policies of insurance must provide that the proceeds thereof shall name the Lessor as loss payee. The Net Proceeds of insurance carried pursuant to this **Section 6.01** shall be deposited into the Construction Fund under the Indenture to be applied to rebuild and repair the Leased Property or prepay Outstanding Certificates as provided in **Article VIII** hereof.

(b) Any deductible under any policies of insurance that the Lessee is required to keep or cause to be kept pursuant to **Section 6.01(a)** hereof may be insured through any self-insurance program of the Lessee.

(c) The Lessee shall comply with all reasonable rules, directions, requirements and recommendations of the local board of fire underwriters and other fire insurance rating organizations for the area in which the Leased Property is situated, pertaining to the Leased Property or the use and occupancy thereof. The Lessee shall not do or suffer to be done, or keep or suffer to be kept anything in, upon or about the Leased Property which will contravene any policies insuring against loss or damage by fire or other hazards, including but not limited to public liability insurance.

(d) Property and casualty insurance must apply exclusively to the Leased Property and must be available to repair/rebuild the Leased Property under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Leased Property shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the Lessee. The policy must explicitly waive any co-insurance penalty. Insurance certificates evidencing exclusive coverage (whether or not provided under a master policy) must be provided to the Trustee upon completion of the Project and annually thereafter. The property insurance proceeds must be paid to the Trustee and used to redeem the outstanding Certificates in full unless such proceeds plus any additional funds deposited with the Trustee are sufficient to fully rebuild or repair the Leased Property. Original copies of all insurance policies must be delivered annually to the Trustee within 30 days of purchase or renewal.

(e) All required insurance policies must be provided by a commercial insurer rated A by Best or in the two highest rating categories of S&P and Moody's. All policies shall name the Lessee, the Lessor, and the Trustee as insureds. Self-insurance or insurance reserves maintained by a joint exercise of powers authority for property and casualty and liability risks may be used provided that the following minimum conditions are met:

(1) The self insurance program must be approved by an independent insurance consultant;

(2) The self insurance program must be maintained on an actuarially sound basis and the Trustee will annually receive a certified actuarial statement attesting to the sufficiency of the program's assets;

(3) The self insurance fund must be held in a separate trust fund by an independent trustee; and

(4) In the event the self insurance program is discontinued, the actuarial soundness of the claim reserve fund must be maintained.

Section 6.02. Liens.

(a) Except with respect to Permitted Encumbrances and as otherwise herein or in the Indenture provided, the Lessee shall not directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property or the Project. Whenever and as often as any mechanics' or other lien is filed against the Leased Property or the Project, or any part thereof, the Lessee shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Lessor shall not be liable for any labor or materials furnished to the Lessee or to anyone claiming by, through or under the Lessee upon credit, and that no mechanics' or other lien shall attach to or affect the reversionary or other estate of the Lessor in and to the Leased Property or any part thereof.

(b) The Lessee, notwithstanding paragraph (a) above, shall have the right to contest any lien if and provided that the Lessee (i) within said 60-day period stated above notifies the Lessor in writing of the Lessee's intention to do so, (ii) diligently prosecutes such contest, (iii) at all times effectively stays or prevents any official or judicial sale of the Leased Property or the Project, or any part thereof or interest therein, under execution or otherwise, (iv) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (v) thereafter promptly procures records release or satisfaction thereof. The Lessee may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Counsel, by nonpayment of any such items, the interest of the Lessor in the Leased Property or the Project will be materially endangered or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly discharge such lien. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 6.03. Taxes.

(a) The Lessor and the Lessee understand and agree that the Leased Property constitutes public property free and exempt from all taxation; provided, however, that the Lessor agrees to cooperate with the Lessee, upon written request by the Lessee, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The Lessee agrees to reimburse the Lessor from Supplemental Rent for any and all costs and expenses thus incurred by the Lessor.

(b) Notwithstanding **Section 6.03(a)** hereof, if the Leased Property or any portion thereof is, for any reason, deemed subject to taxation, assessments or charges lawfully made by any governmental body, Supplemental Rent shall be paid by the Lessee equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Lessee shall be obligated hereunder to provide for Supplemental Rent only for such installments as are required to be paid during the term of this Lease. The Lessee shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the Payments and receipts from the Leased Property or any portion thereof prior to or on a parity with the charge

thereon and the pledge and assignment thereof to be created and made in the Indenture), or any interest therein (including the interest of the Lessor) or the Payments and revenues derived therefrom or hereunder.

ARTICLE VII

ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Section 7.01. Alterations, Additions and Improvements to the Leased Property. The Lessee shall have the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; provided, however, that no such alteration, addition or improvement shall reduce or otherwise materially and adversely affect the value of the Leased Property or the fair rental value thereof or materially alter or change the character or use of the Leased Property or impair the excludability from gross income for federal income tax purposes of the Interest Component of the Base Rentals represented by the Certificates. All additions, alterations or improvements made by the Lessee shall be made in a workmanlike manner and in strict compliance with all laws, ordinances, and regulations applicable thereto, when commenced, be completed with due diligence, and when completed, be deemed a part of the Leased Property.

Section 7.02. Title to Alterations, Additions and Improvements. Except as provided in **Section 7.03** hereof, all alterations, additions and improvements to the Leased Property shall become the property of the Lessor and shall constitute a part of the Leased Property for all purposes of this Lease and shall be subject hereto and to the Indenture.

Section 7.03. Lessee's Equipment.

(a) All of the Lessee's equipment and other personal property installed or placed by the Lessee in or on the Leased Property which is not a fixture under applicable law or which is not paid for with the proceeds of the sale of the Certificates shall remain the sole property of the Lessee in which the Lessor shall have no interest, and may be modified or removed at any time by the Lessee and shall not be subject to the lien of the Indenture. The Lessee shall repair any damage caused by such removal.

(b) If after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee moves out or is dispossessed and fails to remove any property of the Lessee at the time of such moving out or dispossession, then the Lessor may either regard such property as abandoned by the Lessee, in which case such property shall become the property of the Lessor subject to the Indenture, or may demand that the Lessee remove such property from the Leased Property. In the event of failure of the Lessee to comply with said demand, the Lessor may remove, sell or destroy such property.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.01. Damage, Destruction and Condemnation.

(a) If, during the term of the Lease (i) the Leased Property is destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Lessee or the Lessor in the Leased Property or

any portion thereof is taken under the exercise of the power of eminent domain by a governmental body or by any person, firm or corporation acting under governmental authority; or (iii) title to or the use of all or any portion of the Leased Property is lost by reason of defect in title; then, subject to **Sections 3.09(a)** and **8.01(c)** hereof, the Lessee shall continue to pay Base Rentals and Supplemental Rent and to take such action as shall be necessary to repair and replace the Leased Property using applicable Net Proceeds.

(b) In accordance with **Section 4.09** of the Indenture, the Lessor shall cause the Net Proceeds of any insurance policies (including any moneys derived from any self-insurance program), performance bonds or condemnation awards with respect to the Leased Property, to be deposited into the Construction Fund to be applied as provided herein and in **Section 4.09** of the Indenture. Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Lessee, except as otherwise provided in **Section 8.01(c)** hereof. The balance of any Net Proceeds remaining after the repair, restoration, modification, improvement or replacement has been completed are to be deposited into the Prepayment Fund. All repairs, restoration, modification, improvement or replacement of the Leased Property shall be made in a workmanlike manner and in strict compliance with all laws, ordinances and regulations applicable thereto, when commenced, be completed with due diligence, and when completed, be deemed a part of the Leased Property.

(c) If such Net Proceeds are insufficient to pay in full the cost of any such repair, restoration, modification, improvement or replacement, then the Lessee shall, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds:

(i) commence and thereafter complete the work and pay any cost in excess of the Net Proceeds, in which case the Lessee agrees that it will not be entitled to any reimbursement from the Lessor or the Owners of the Certificates, nor shall it be entitled to any diminution of the Base Rentals or Supplemental Rent; or

(ii) if such Net Proceeds are in an amount less than $200,000 (or such higher amount as may be approved by the Trustee) and the failure to repair or restore will not materially detract from the value of the Leased Property, then the Lessee may discharge its obligation to repair or replace the Leased Property by causing such Net Proceeds to be deposited into the Certificate Payment Fund; or

(iii) apply such Net Proceeds to the payment of the Option Price applicable as of the next occurring Payment Date, in which case, if the Net Proceeds are insufficient to pay the Option Price, the Lessee shall pay such amounts as are necessary to equal the full Option Price, and if the Net Proceeds exceed the Option Price, such excess shall be retained by the Lessee.

(d) The Lessee hereby agrees that any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Lessor subject to the Indenture, and will be included as part of the Leased Property subject to this Lease.

(e) The Lessor and the Lessee agree that it is the intent of the parties that the risk of any loss arising out of any damage, destruction or condemnation of the Leased Property shall be borne by the Lessee and not by the Lessor or the Owners of the Certificates. The Lessee hereby covenants and agrees that in the event of any such damage, destruction or condemnation, the Lessee will either repair, restore or replace the Leased Property to essentially their same condition before any such damage, destruction or condemnation or provide funds, either through payment of the Option Price or otherwise, necessary to prepay the Certificates at the earliest practicable date.

ARTICLE IX

ASSIGNMENTS

Section 9.01. Limitations on Assignment and Subleasing by Lessee.

(a) Except as provided in subsection (b) of this Section, the Lessee may not assign this Lease in whole or in part, and may not sublease the Leased Property in whole or in part, as long as any Certificates remain Outstanding, unless it receives an opinion of Special Tax Counsel that such assignment or sublease will not cause the inclusion of interest on the Certificates in gross income for federal and Missouri income tax purposes. In the event of any sublease of any kind of part or all of the Leased Property, the Lessee shall remain fully liable under the terms and conditions of this Lease.

(b) The Lessee may sublease the Leased Property on a short-term (less than 3 months) basis including all renewal options without the consent or notice to the Trustee.

ARTICLE X

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 10.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby represents, covenants and warrants for the benefit of the Lessor as follows:

(a) The Lessee has the power and authority to enter into the transactions contemplated by this Lease and the other documents contemplated hereby to which it is a party and to carry out its obligations hereunder and thereunder. The Lessee has been duly authorized to execute and deliver this Lease and such other documents as may be necessary or desirable related to the financing of the Costs of the Project and the leasing of the Leased Property and agrees that it will do or cause to be done all things necessary to preserve and keep this Lease (to the extent herein provided and subject to the limitations expressed herein, including but not limited to the limitations provided in **Section 3.04** hereof) in full force and effect.

(b) The Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessee from entering into this Lease and the other documents contemplated hereby to which it is a party or performing any of its obligations hereunder and thereunder.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Lease or any such other agreement or instruments in connection with the carrying out by the Lessee of its obligations hereunder or thereunder have been obtained.

(d) The Payments or any portion thereof is not (under the terms of this Lease or any underlying arrangement) directly or indirectly (i) secured by any interest in property used or to be used, directly or indirectly, in a trade or business carried on by any person other than any state or the United

States of America or any political subdivision, agency or instrumentality of a state or any entity acting by or on behalf of a state (a **"Governmental Unit"**) within the meaning of Section 141(b)(2) of the Code, or payments in respect of such property; or (ii) to be derived from payments (whether or not to the Lessee) in respect of property, or borrowed money, used or to be used, directly or indirectly, in a trade or business carried on by any person other than a Governmental Unit. The Leased Property will not be used, directly or indirectly, in a trade or business carried on by any person other than a Governmental Unit. No portion of the proceeds of the Certificates will be used, directly or indirectly, to make or finance loans to persons other than Governmental Units. The Lessee has not entered into any management contracts with respect to the use and operation of the Leased Property.

(e) The entering into and performance of this Lease or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any asset of the Lessee or on the Leased Property except as herein or in the Indenture provided.

(f) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease.

(g) During the term hereof, the Leased Property will be used by the Lessee only for the purpose of performing one or more essential governmental or proprietary functions (including related functions) of the Lessee or such other bodies consistent with the permissible scope of the Lessee's authority.

(h) The Lessee will comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers.

(i) Until the payment in full of the Certificates, the Lessee will from time to time, record, register and file all such notices, statements and other documents and take such other steps, including without limitation the amendment to any of the Lease, the Indenture, the Ground Lease and any other documents related to the Certificates and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the Lessor with respect to all security from time to time furnished under this Lease or intended to be so furnished and to preserve the excludability from gross income for federal and Missouri income tax purposes of the interest on the Series 2021A Certificates, in each case in such form and at such times as shall be satisfactory to the Lessor.

(j) Until the payment in full of the Certificates, the Lessee agrees not to create, incur, assume or permit to exist any mortgage, deed of trust, security interest (whether possessory or non-possessory) or other encumbrance of any kind (including without limitation the charge upon property purchased under conditional sale or other title retention agreement) in excess of $10,000.00 upon or on the Leased Property, other than (A) liens for taxes not delinquent or being contested as permitted hereunder; (B) liens in connection with workers' compensation, unemployment insurance or social security obligations; (C) mechanics', workmens', materialmens', landlords', carriers' or other like liens arising in the ordinary and normal course of business with respect to obligations which are not due or which are being contested hereunder; (D) liens in favor of the Lessor arising out of the transactions contemplated hereby; and (E) in connection with the issuance of Additional Certificates.

(k) The Lessee hereby agrees to comply with and punctually perform all of its obligations under the Ground Lease, including all obligations imposed by law.

Section 10.02. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants for the benefit of the Lessee and the Owners of the Certificates as follows:

(a) The Lessor has the power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Lessor has been duly authorized to execute and deliver this Lease.

(b) The Lessor is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessor from entering into this Lease or performing any of its obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessor of this Lease or in connection with the carrying out by the Lessor of its obligations under this Lease have been obtained.

(d) The Lessor will not pledge the Base Rentals, the Option Price, or any of its other rights hereunder and will not sell, assign, mortgage or encumber the Leased Property, except with the Trustee's written consent as provided herein and under the Indenture. All property and moneys received by the Lessor from the Lessee hereunder and under the Indenture for the Owner or Owners of the Certificates will be applied for the benefit of such Owner or Owners.

Section 10.03. Lessee's Covenants Relating to Compliance with Environmental Laws.

(a) The Lessee hereby covenants and agrees to carry on the business and operations at the Leased Property in a manner that complies in all respects, and will remain in compliance, with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment. The Lessee covenants, represents and warrants to the Lessor and its successors and assigns that, during the time the Lessee has owned the Leased Property, the Leased Property has complied with and will comply with, and the Lessee is not in violation of and will not violate, in connection with the ownership, use, maintenance or operation of the Leased Property and the conduct of the business related thereto, any applicable "Environmental Law", as hereinafter defined, relating to "Hazardous Materials", as hereinafter defined. The term **"Environmental Laws"** shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), the Clean Air Act, the Federal Water Pollution Control Act of 1972, and the Superfund Amendments and Reauthorization Act of 1986. The term **"Hazardous Materials"** shall mean any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation,

polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in any Environmental Law or other materials which may or could pose a hazard to the health and safety of the occupants of the Leased Property or the occupants and/or owners of property near the Leased Property.

(b) The Lessee, its agents, employees and independent contractors shall not cause or permit the Leased Property or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all Federal, state and local laws or regulations, nor shall the Lessee, its agents, employees and independent contractors cause or permit, as a result of any intentional or unintentional act or omission on the part of the Lessee, its agents, employees and independent contractors, a release of Hazardous Materials onto the Leased Property.

(c) The Lessee shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Leased Property (A) in accordance with all applicable Environmental Laws, (B) to the satisfaction of the Lessor and (C) in accordance with the orders and directives of all Federal, state and local governmental authorities.

(d) The Lessee agrees to defend, indemnify and hold harmless the Lessor from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (i) the presence, disposal, release or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; or (iii) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Lessor, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. The amount of all such indemnified loss, damage, expense or cost, shall bear interest thereon at the prime rate of the Lessor plus 2%, and shall become immediately due and payable in full on demand of the Lessor. The Lessee shall be notified in writing of any event requiring indemnification hereunder and the Lessee shall have the right to defend the Lessor with counsel approved by the Lessor.

(e) In the event that the Lessor elects to control, operate, sell or otherwise claim property rights in the Leased Property upon the occurrence of an Event of Default, the Lessee shall deliver the Leased Property free of any and all Hazardous Materials so that the conditions of the Leased Property conform with all applicable Environmental Laws. Prior to any such delivery of the Leased Property, the Lessee shall pay the Lessor, from its own funds, any amounts then required under subsection (d) above.

(f) The Lessee further represents and warrants as follows:

(i) there are no existing or pending statutes, orders, standards, rules or regulations relating to environmental matters requiring any remedial actions or other work, repairs, construction or capital expenditures with respect to the Leased Property, nor has the Lessee received any notice of any of the same;

(ii) no Hazardous Materials have been or will be released into the environment, or have been spilled, discharged, or disposed of at, on or near the Leased Property except as previously disclosed in writing to the Lessor by or on behalf of the Lessee, nor has or will the Leased Property be used at any time by any person as a landfill or a disposal Leased Property for Hazardous Materials;

(iii) there are no electrical transformers or other equipment containing dielectric fluid containing polychlorinated biphenyls located in, on or under the Leased Property, nor is there any friable asbestos contained in, on or under the Leased Property, nor will the Lessee permit the installation of the same;

(iv) there are no locations off the Leased Property where Hazardous Materials generated by or on the Leased Property have been treated, stored, deposited or disposed of;

(v) the Lessee, its agents, employees and independent contractors will remove any underground storage tanks located on the Leased Property;

(vi) no notices of any violation of any of the matters referred to in the foregoing sections relating to the Leased Property or their use have been received by the Lessee and there are no writs, injunctions, decrees, orders or judgments outstanding, and no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Leased Property, nor is there any basis for any such lawsuit, claim, proceeding or investigation being instituted or filed; and

(vii) the Leased Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites nor any other log, list, schedule, inventory or record of Hazardous Materials or Hazardous Waste Sites whether maintained by the United States, or any state or local governmental unit.

(g) With the exception of the representations and warranties in paragraph (f) above regarding the non-receipt of notice by the Lessee [subparagraph (f) (i) above], the absence of notices of violations [subparagraph (f) (vi) above] and the non-inclusion of the Leased Property on the various lists described in subparagraph (f) (vii) above, all statements by the Lessee as set forth in this **Section 10.03** as to past or existing facts shall be deemed representations and warranties made to the best of the Lessee's knowledge after having made due inquiry. All other statements of past or present facts shall be deemed representations and warranties by the Lessee without limitation based upon actual knowledge or inquiry. All such statements regarding future acts to be performed or refrained from shall be deemed covenants to be complied with by the Lessee without limitation based upon knowledge or inquiry.

(h) The covenants, representations, warranties and indemnities in this **Section 10.03** (i) shall survive any termination of this Lease due to an Event of Nonappropriation or other event prior to payment in full of the Certificates and (ii) shall be deemed continuing covenants, representations, warranties and indemnities running with the land for the benefit of the Lessor, and its successors and assigns including any purchaser at a foreclosure sale, any transferee of the title of the Lessor or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Leased Property claiming through or under the title of the Lessor.

ARTICLE XI

AMENDMENTS

Section 11.01. Amendments, Changes and Modifications. This Lease may be amended, changed or modified only in the manner provided in **Article VI** of the Indenture.

ARTICLE XII

LESSEE'S OPTION TO PURCHASE THE LESSOR'S INTEREST IN THE LEASED PROPERTY

Section 12.01. Option to Purchase the Lessor's Interest in the Leased Property. The Lessee may purchase the Lessor's interest in the Leased Property subject to the terms hereof on any Optional Prepayment Date by delivering written notice to the Lessor not less than sixty (60) days prior to the Optional Prepayment Date on which the option is to be exercised. The purchase price to be paid by the Lessee to exercise the option provided herein shall be an amount equal to (a) the Option Price applicable on such Optional Prepayment Date as indicated on the Option Price Schedule attached hereto as **Schedule II**, plus interest, premium, if any, and fees, costs and expenses (including fees, costs and expenses of the Lessor) which must be paid to prepay the then Outstanding Certificates, less all amounts in reserves held by the Lessor under the Indenture which may be applied to the Prepayment of such Outstanding Certificates and such other expenses, (b) all costs of transferring the Lessor's interest in the Leased Property to the Lessee and (c) all other reasonable costs and expenses incidental thereto. Nothing herein shall be construed to create any obligation of the Lessee to purchase the Lessor's interest in the Leased Property.

Section 12.02. Vesting of Title.

(a) Title to the Leased Property will be held in the name of the Lessee, subject to the Ground Lease, this Lease and the Indenture.

(b) The Lessor's interest in the Leased Property shall be transferred to the Lessee (i) on the Optional Prepayment Date on which the Lessee has indicated pursuant to **Section 12.01** hereof its intention to purchase the Leased Property, provided the Lessee pays to the Lessor the amounts required to be paid pursuant to **Section 12.01** hereof at least 15 days before such date; (ii) after payment of all Base Rentals for all Renewal Terms and all then accrued Supplemental Rent; or (iii) when the lien of the Indenture has been discharged in accordance with the terms thereof, other than by foreclosure of such lien.

Section 12.03. Partial Prepayments.

(a) The Lessee may prepay Base Rentals in part on each Optional Prepayment Date by delivering written notice to the Lessor not less than sixty (60) days prior to each Optional Prepayment Date indicating the Lessee's intention to prepay Base Rentals and the amount of the prepayment. The Lessee may exercise the option provided herein by paying to the Lessor not less than 60 days (or such lesser time as the Lessor may approve) prior to the Option Prepayment Date an amount equal to the Prepayment Price permitted in **Section 3.02(b)** of the Indenture.

(b) The Principal Component of Base Rentals prepaid pursuant to this Section shall be in integral multiples of $5,000 and shall be credited in the order of stated payment dates determined by the Lessee. Upon any partial prepayment, (i) the amount of each Interest Component of Base Rentals coming due thereafter shall be reduced by the amount of such Interest Component attributable to the prepaid Principal Component determined by applying the annual interest rate corresponding to the prepaid Principal Component as shown on **Schedule I** hereto, and (ii) the Option Price shall be reduced by the amount of any Principal Component of Base Rentals so prepaid.

Section 12.04. Relative Position of Option and Indenture. The option granted to the Lessee in this Article shall remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default under this Lease, provided that such default will not result in nonfulfillment of any

condition to the exercise of any such option and further provided that all options herein granted shall terminate 90 days following the termination of this Lease.

Section 12.05. Obligation of the Lessee to Accept Conveyance of Lessor's Interest in Leased Property. The Lessee hereby agrees to accept conveyance of, and the Lessor hereby agrees to convey to the Lessee, all of the Lessor's right, title and interest in and to the Leased Property at the expiration of the Term of the Lease following full payment of the Certificates or provision for payment thereof having been made in accordance with the provisions of the Indenture. Upon conveyance of the Lessor's interest in the Leased Property to the Lessee, there shall be cancelled all encumbrances on the Leased Property, except for Permitted Encumbrances (other than the Lease and Ground Lease), encumbrances that the Lessee has consented to and encumbrances which will not significantly interfere with the Lessee's enjoyment of the Leased Property.

Section 12.06. No Obligation to Purchase. The Lessee shall be under no obligation whatsoever to exercise its option to purchase the Lessor's interest in the Leased Property.

Section 12.07. Determination of Fair Purchase Price; Acquisition of the Leased Property.

(a) The Lessee and the Lessor hereby agree and determine that the Base Rentals hereunder during the Initial Term and any Renewal Term represents the fair value of the use of the Leased Property and that the amount required to exercise the Lessee's option to purchase Lessor's interest in the Leased Property pursuant to **Section 12.01** represents, as of that date, the fair purchase price of the Leased Property. The Lessee hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Leased Property hereunder. In making such determinations, the Lessee and the Lessor have given consideration to the Costs of the Project, the uses and purposes for which the Leased Property will be employed by the Lessee, the benefit to the Lessee by reason of the acquisition, construction, equipping and installation of the Project and the use and occupancy of the Leased Property pursuant to this Lease and Lessee's option to purchase the Leased Property.

(b) The Lessee is entering into this Lease to acquire the use of the Leased Property during the Lease Term, and with the current intent of acquiring the Leased Property in accordance with **Section 12.01**, for its public purposes. Any acquisition of the Leased Property or rights to their use by the Lessee (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with this Lease, including payment of Base Rentals and the applicable Option Price. If the Lessee allows this Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend this Lease Term or failure to cure an Event of Default), that action shall constitute an irrevocable determination by the Lessee that the Leased Property is not required by it for any public purpose for the term of the Ground Lease. This Section shall survive the termination of this Lease for any reason.

ARTICLE XIII

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 13.01. Right of Entry. The Lessor and its designated representatives shall retain the right to enter upon the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Lessor's rights or obligations under this Lease, or (c) for all other lawful purposes.

Section 13.02. Covenant of Quiet Enjoyment.

(a) The Lessor covenants and agrees that, as long as the Lessee is not in default under this Lease, the Lessee shall have the sole and exclusive possession of the Leased Property (subject to Permitted Encumbrances) and shall and may peaceably and quietly have, hold and enjoy the Leased Property during the Term of the Lease. The Lessor covenants and agrees that it will not take any action, other than pursuant to **Article XIV** hereof, to prevent the Lessee from having quiet and peaceable possession and enjoyment of the Leased Property during the Term of the Lease and will, at the request and expense of the Lessee, cooperate with the Lessee in order that the Lessee may have quiet and peaceable possession and enjoyment of the Leased Property and will defend the Lessee's enjoyment and possession thereof against all parties.

(b) Subject to the provisions of this Section, the Lessee shall have the right to use the Leased Property for any lawful purpose. The Lessee shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property or to any adjoining public ways, as to the manner of use or the condition of the Leased Property or of adjoining public ways. The Lessee shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried pursuant to the provisions of **Article VI** hereof. The Lessee shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the Lessee to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Lessee shall have the right, at its own cost and expense, to contest or review by legal or other appropriate statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer, and during such contest or review the Lessee may refrain from complying therewith if the Lessee furnishes on request of the Lessor, at the Lessee's expense, indemnity satisfactory to the Lessor.

ARTICLE XIV

EVENTS OF DEFAULT; REMEDIES

Section 14.01. Events of Default Defined. Any of the following shall be an "Event of Default" under this Lease:

(a) Failure by the Lessee to pay any Base Rentals required to be paid under **Section 3.01(a)** hereof when such Base Rentals are due and payable; or

(b) Failure by the Lessee to pay or cause to be paid any Supplemental Rent during the term of this Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is received by the Lessee from the Lessor; or

(c) Failure by the Lessee to vacate the Leased Property at the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs; or

(d) Failure by the Lessee to observe and perform any covenant, condition or agreement herein on its part to be observed or performed, other than as referred to in **Sections 14.01(a)**, **14.01(b)** or **14.01(c)** hereof, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Lessee by the Lessor, unless the Lessor agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period and if corrective action is instituted by the Lessee within

the applicable period and diligently pursued until the default is corrected such failure shall not be an Event of Default; or

(e) Any representation or warranty (i) made by the Lessee pursuant to **Section 10.01** hereof or (ii) contained in any certificate delivered in connection with this Lease proves to have been false or misleading in any material respect when made; or

(f) The entry of a final nonappealable order or decree in any court of competent jurisdiction enjoining or restraining the construction or development of the Leased Property or enjoining, restraining or prohibiting the Lessee from consummating the transactions contemplated by this Lease; or

(g) Any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Lessee, and if instituted against the Lessee, is consented to by the Lessee or is not dismissed within 60 days.

The foregoing provisions of this **Section 14.01** are subject to the following limitations: (i) the obligations of the Lessee to make payments of the Base Rentals and the Supplemental Rent shall be subject to the provisions of **Article III** hereof with respect to an Event of Nonappropriation; and (ii) if, by reason of Force Majeure (as such term is hereinafter defined), the Lessee is unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the Lessee contained in **Article III** hereof, the Lessee shall not be deemed in default during the continuance of such inability. The settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Lessee, unfavorable to the Lessee. As used herein the term **"Force Majeure"** means, without limitation, the following: acts of God; strikes; lockouts or other disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Missouri or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; lightning; earthquakes; fire; storms; floods; washouts; arrests; restraints of government and people; civil disturbances; explosions; or partial or entire failure or unavailability of utilities.

Section 14.02. Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default, the Lessor shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to make all Payments due for such Initial Term or Renewal Term, as appropriate, in the case of an Event of Nonappropriation) and may, without any further demand or notice, (i) terminate this Lease or the Lessee's possessory rights hereunder (without otherwise terminating this Lease), re-enter the Leased Property and eject all parties in possession thereof therefrom, and rent the Leased Property or, at its option, sell the Leased Property; or (ii) take any action at law or in equity deemed necessary or desirable to enforce its rights with respect to the Leased Property.

(b) Upon the termination of the term of this Lease or the Lessee's possessory interests herein by reason of an Event of Nonappropriation or an Event of Default, all moneys then held in any fund or account under the Indenture and any Net Proceeds received on such reletting or sale shall be held by the Lessor for the benefit of the Owners of the Certificates (and applied from time to time as provided in **Section 8.05** of the Indenture). Notwithstanding anything herein to the contrary, the Lessor shall be entitled to relet the Leased Property for such period as is necessary for the Lessor to obtain sufficient moneys to pay in full the Principal Component, premium, if any, and Interest Component of Base Rentals with respect to the Certificates, and the obligations of the Lessor with respect to the Owners of the

Certificates and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Indenture except as a result of foreclosure.

Section 14.03. Reserved.

Section 14.04. Remedies Cumulative. The rights and remedies given or reserved herein to the Lessee and the Lessor are and shall be deemed to be cumulative. The exercise or non-exercise of any shall not be deemed to be an election excluding the exercise or non-exercise at any other time of a different or inconsistent right or remedy or the maintenance of any action either at law or in equity.

Section 14.05. Waiver. The delay or failure of the Lessor at any time to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred unless otherwise agreed. The receipt and acceptance by the Lessor of any Payments, in whole or in part with knowledge of the breach of any term, covenant or condition hereof, shall not be deemed a waiver of such breach and no waiver of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Lessor.

Section 14.06. Curing Lessee's Breach. If the Lessee defaults in the observance or performance of any term or covenant on the Lessee's part to be observed or performed under or by virtue of any of the terms of this Lease, the Lessor may (but shall not be obligated to do so) immediately, or at any time thereafter and without notice, and to the extent permitted by law, perform or cause to be performed the same for the account of the Lessee. Any sums paid or obligations incurred in connection therewith shall be deemed to be Supplemental Rent hereunder and shall be paid by the Lessee to the Lessor for appropriate disbursement within forty-five (45) days of the rendering of any bill or statement to the Lessee therefor; provided, however, that nothing herein shall be construed to obligate the Lessee to pay any such Supplemental Rent from any funds other than moneys legally available and appropriated for such purpose.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by one party to another party shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows; provided, however, that notice to the Lessor shall only be effective upon actual receipt:

If to the Lessee:	City of Gladstone, Missouri 7010 North Holmes Gladstone, Missouri 64118 Attention: City Manager
If to the Lessor:	Security Bank of Kansas City 701 Minnesota Avenue, Suite 206 Kansas City, Kansas 66101 Attn: Corporate Trust Department

Section 15.02. Filing Continuation Statements. The Lessee shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Lessor in the Leased Property, to the extent possible under applicable law. Not earlier than 180 days nor later than 30 days prior to each fifth anniversary of the initial delivery of the Certificates, the Lessor shall deliver to the Trustee evidence of the filing of continuations of all Uniform Commercial Code financing statements that were initially filed to evidence any security interest hereunder and an opinion of counsel indicating that all filings and recordings have been made to perfect and protect such interests under applicable law. The obligations under this Section shall survive any termination of this Lease.

Section 15.03. Waiver of Personal Liability. All obligations or liabilities under this Lease on the part of the Lessor are solely corporate liabilities of the Lessor as a corporation in its capacity as Trustee, and, to the extent permitted by law, the Lessee hereby releases each and every director, officer, agent or employee of the Lessor of and from any personal or individual liability under this Lease. No director, officer, agent or employee of the Lessor shall at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by the Lessor hereunder.

All obligations or liabilities under this Lease on the part of the Lessee are solely liabilities of the Lessee as a political subdivision, and, to the extent permitted by law, the Lessor hereby releases each and every official, employee or agent of the Lessee of and from any personal or individual liability under this Lease. No official, employee or agent of the Lessee shall at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by the Lessee hereunder.

Section 15.04. Governing Law. This Lease is made in the State of Missouri under the Constitution and laws of such State and is to be so construed.

Section 15.05. Lessee's Obligation to Operate. The Lessee shall be obligated to use and operate the Leased Property so as to afford to the public the benefits contemplated by this Lease.

Section 15.06. Execution in Counterparts. This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease. Separate counterparts of this Lease may be separately executed by the Lessor and Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee.

Section 15.07. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Lease, or the application thereof to any person or circumstance, is to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 15.08. Successors and Assigns; Third Party Beneficiaries.

(a) This Lease and the covenants, conditions, and agreements herein contained shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

(b) This Lease is executed by the Lessee in part to induce the purchase by others of the Certificates, and for the further securing of the Certificates. As long as any Certificates are Outstanding,

all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the Owners from time to time of the Certificates, but may be enforced by or on behalf of such Owners only in accordance with the provisions of the Indenture. This Lease shall not be deemed to create any right in any person who is not a party (other than the successors and permitted assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the successors and permitted assigns of a party hereto), except in each case the Owners from time to time of the Certificates and the Lessor.

Section 15.09 Captions and Headings. The captions and headings used throughout this Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Lease, nor in any way affect this Lease.

Section 15.10. "Net Lease". The parties hereto agree (i) that this Lease shall be deemed and construed to be a "net lease" that requires the Lessee to pay all expenses, taxes, fees, insurance premiums, rebate payments, reserve deposits and costs associated with the Leased Property, the Lease, the Ground Lease, the Indenture and the Certificates without the right of offset, and (ii) that if after the principal of, redemption premium, if any, and interest components represented by the Certificates and all costs incident to the payment of the Certificates have been paid in full the Trustee holds unexpended funds received in accordance with the terms hereof, such unexpended funds shall, after payment therefrom of all sums then due and owing by the Lessee under the terms of this Lease, and except as otherwise provided in this Lease and the Indenture, become the absolute property of and be paid over forthwith to the Lessee.

Section 15.11. Indemnification. The Lessee shall, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose, indemnify and hold harmless the Lessor from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Lessor may incur (or which may be claimed against the Lessor by any person or entity whatsoever) and which are not caused by the gross negligence or willful misconduct of the Lessor.

Section 15.12. Consent Not to be Unreasonably Withheld. Whenever any party hereto is required in this Lease to obtain the consent of any other party hereto such consent shall not be unreasonably withheld or delayed.

Section 15.13. No Merger. Neither this Lease nor the Ground Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the Lessee to the Leased Property under the Ground Lease and the Lessee's leasehold interest therein under this Lease.

Section 15.14. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a legal holiday or a day on which banking institutions in the city in which the principal business office of the Lessor or the Lessee is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day that is not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the date provided in this Lease.

Section 15.15. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be signed by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

SECURITY BANK OF KANSAS CITY,
as Trustee

[SEAL]

By: _____
Name:
Title:

ATTEST:

_____
Name:
Title:

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, who acknowledged themselves to be the _____ and _____, respectively, of **SECURITY BANK OF KANSAS CITY**, a national banking association, and that said instrument was signed and sealed in behalf of said association by authority of its Board of Directors, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

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

_____
Notary Public - State of Kansas

My Commission Expires:

_____

LESSEE:

CITY OF GLADSTONE, MISSOURI

By:_____
Name: Scott Wingerson
Title: City Manager

ATTEST:

_____
Name: Ruth Bocchino
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared **Scott Wingerson** and **Ruth Bocchino**, who acknowledged themselves to be the City Manager and City Clerk, respectively, of the **City of Gladstone, Missouri**, said instrument was signed in behalf of said City by authority of its City Council, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

_____
Notary Public - State of Missouri

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

EXHIBIT B

DESCRIPTION OF THE PROJECT

Proceeds of the Certificates will be used to finance (i) the construction of a new Public Safety Headquarters; (ii) renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall.

SCHEDULE I

SCHEDULE OF RENTAL PAYMENTS AND PURCHASE PRICE

Payment Date	Principal Component	Interest Component	Option Price on Payment Date through but excluding next Payment Date*
09/01/2021	$ -	$ 87,685.09	n/a
03/01/2022	$ 545,000.00	$ 235,571.88	n/a
09/01/2022	$ -	$ 221,946.88	n/a
03/01/2023	$ 425,000.00	$ 221,946.88	n/a
09/01/2023	$ -	$ 211,321.88	n/a
03/01/2024	$ 475,000.00	$ 211,321.88	n/a
09/01/2024	$ -	$ 199,446.88	n/a
03/01/2025	$ 490,000.00	$ 199,446.88	n/a
09/01/2025	$ -	$ 187,196.88	n/a
03/01/2026	$ 510,000.00	$ 187,196.88	n/a
09/01/2026	$ -	$ 174,446.88	n/a
03/01/2027	$ 520,000.00	$ 174,446.88	n/a
09/01/2027	$ -	$ 161,446.88	n/a
03/01/2028	$ 535,000.00	$ 161,446.88	n/a
09/01/2028	$ -	$ 148,071.88	n/a
03/01/2029	$ 565,000.00	$ 148,071.88	n/a
09/01/2029	$ -	$ 133,946.88	n/a
03/01/2030	$ 590,000.00	$ 133,946.88	n/a
09/01/2030	$ -	$ 119,196.88	n/a
03/01/2031	$ 620,000.00	$ 119,196.88	$ 9,565,000.00
09/01/2031	$ -	$ 103,696.88	$ 9,565,000.00
03/01/2032	$ 650,000.00	$ 103,696.88	$ 8,915,000.00
09/01/2032	$ -	$ 93,946.88	$ 8,915,000.00
03/01/2033	$ 670,000.00	$ 93,946.88	$ 8,245,000.00
09/01/2033	$ -	$ 83,896.88	$ 8,245,000.00
03/01/2034	$ 725,000.00	$ 83,896.88	$ 7,520,000.00
09/01/2034	$ -	$ 76,646.88	$ 7,520,000.00
03/01/2035	$ 725,000.00	$ 76,646.88	$ 6,795,000.00
09/01/2035	$ -	$ 69,396.88	$ 6,795,000.00
03/01/2036	$ 730,000.00	$ 69,396.88	$ 6,065,000.00
09/01/2036	$ -	$ 62,096.88	$ 6,065,000.00
03/01/2037	$ 745,000.00	$ 62,096.88	$ 5,320,000.00
09/01/2037	$ -	$ 54,646.88	$ 5,320,000.00
03/01/2038	$ 760,000.00	$ 54,646.88	$ 4,560,000.00
09/01/2038	$ -	$ 47,046.88	$ 4,560,000.00
03/01/2039	$ 770,000.00	$ 47,046.88	$ 3,790,000.00
09/01/2039	$ -	$ 39,346.88	$ 3,790,000.00

03/01/2040	$ 730,000.00	$ 39,346.88	$ 3,060,000.00
09/01/2040	$ -	$ 32,046.88	$ 3,060,000.00
03/01/2041	$ 745,000.00	$ 32,046.88	$ 2,315,000.00
09/01/2041	$ -	$ 24,596.88	$ 2,315,000.00
03/01/2042	$ 760,000.00	$ 24,596.88	$ 1,555,000.00
09/01/2042	$ -	$ 16,521.88	$ 1,555,000.00
03/01/2043	$ 770,000.00	$ 16,521.88	$ 785,000.00
09/01/2043	$ -	$ 8,340.63	$ 785,000.00
03/01/2044	$ 785,000.00	$ 8,340.63	$ -

***The Option Price in the event of damage, casualty, condemnation or deficiency of title shall be determined as follows:**

Payment Date	Option Price on Payment Date through but excludin next Payment Date*
09/01/2021	$ 14,840,000.00
03/01/2022	$ 14,295,000.00
09/01/2022	$ 14,295,000.00
03/01/2023	$ 13,870,000.00
09/01/2023	$ 13,870,000.00
03/01/2024	$ 13,395,000.00
09/01/2024	$ 13,395,000.00
03/01/2025	$ 12,905,000.00
09/01/2025	$ 12,905,000.00
03/01/2026	$ 12,395,000.00
09/01/2026	$ 12,395,000.00
03/01/2027	$ 11,875,000.00
09/01/2027	$ 11,875,000.00
03/01/2028	$ 11,340,000.00
09/01/2028	$ 11,340,000.00
03/01/2029	$ 10,775,000.00
09/01/2029	$ 10,775,000.00
03/01/2030	$ 10,185,000.00
09/01/2030	$ 10,185,000.00
03/01/2031	$ 9,565,000.00
09/01/2031	$ 9,565,000.00
03/01/2032	$ 8,915,000.00
09/01/2032	$ 8,915,000.00
03/01/2033	$ 8,245,000.00
09/01/2033	$ 8,245,000.00
03/01/2034	$ 7,520,000.00
09/01/2034	$ 7,520,000.00
03/01/2035	$ 6,795,000.00
09/01/2035	$ 6,795,000.00
03/01/2036	$ 6,065,000.00
09/01/2036	$ 6,065,000.00
03/01/2037	$ 5,320,000.00
09/01/2037	$ 5,320,000.00
03/01/2038	$ 4,560,000.00
09/01/2038	$ 4,560,000.00
03/01/2039	$ 3,790,000.00

09/01/2039	$	3,790,000.00
03/01/2040	$	3,060,000.00
09/01/2040	$	3,060,000.00
03/01/2041	$	2,315,000.00
09/01/2041	$	2,315,000.00
03/01/2042	$	1,555,000.00
09/01/2042	$	1,555,000.00
03/01/2043	$	785,000.00
09/01/2043	$	785,000.00
03/01/2044	$	-

INDENTURE OF TRUST

Dated as of June 1, 2021

Between

SECURITY BANK OF KANSAS CITY,
As Trustee

and

CITY OF GLADSTONE, MISSOURI

Related to

$14,840,000
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Evidencing Interests in
the Right to Receive Base Rentals
to Be Made by
City of Gladstone, Missouri

INDENTURE OF TRUST

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of June 1, 2021 (the "Indenture"), executed by **SECURITY BANK OF KANSAS CITY**, a Kansas banking corporation duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the State of Missouri, and having a corporate trust office located in Kansas City, Kansas, as trustee (the "Trustee") and the **CITY OF GLADSTONE, MISSOURI**, a third class city duly organized and existing under the laws of the State of Missouri (the "City");

WITNESSETH:

WHEREAS, the City and the Trustee expect to enter into a Ground Lease (the "Ground Lease"), pursuant to which the City, as lessor, will lease to the Trustee, as lessee, to provide for the financing of the costs related to the completion of various capital projects for the City (as further described herein, the "Project"), with all of the City's present or hereafter acquired interest in those tracts of real estate described on **Schedule 1** hereto, together with all improvements now or hereafter situated thereon (the "Leased Property"); and

WHEREAS, the Trustee and the City expect to enter into a Lease Purchase Agreement (the "Lease"), to provide for the lease of the Leased Property from the Trustee back to the City on an annually renewable basis in consideration of Base Rentals (as defined herein) and upon the terms and conditions therein to be provided; and

WHEREAS, in order to provide funds to finance the costs related to the Project, the Trustee will, pursuant to this Indenture sell City of Gladstone, Missouri Certificates of Participation (Capital Projects) in one or more series (the "Certificates"), evidencing interests in the right of the registered owners thereof in Lease Revenues (as defined herein), including the right to receive a proportionate share of Base Rentals under the Lease; and

WHEREAS, the City is authorized under the provisions of the laws of the State of Missouri to provide funds for such purpose; and

WHEREAS, all things necessary for this Indenture to constitute a valid and legally binding pledge of the Trust Estate herein made for the security of the payment of the Certificates delivered hereunder have been done, and the execution and delivery of this Indenture, subject to the terms hereof, have in all respects been duly authorized by the City and the Trustee;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the payment of the Certificates Outstanding under this Indenture from time to time according to their tenor and effect, does hereby transfer in trust, pledge and assign to the Trustee the property described below (said property being herein called the "Trust Estate"), to wit:

(a) All right, title and interest of the Trustee in, to and under (1) the Ground Lease; (2) the Lease, including the right to receive and collect Base Rentals, Lease Revenues and other payments, revenues and receipts derived by the Trustee under the Lease (except for the right of the Trustee to receive moneys for its own account under the Lease and any payments made by the Trustee to meet the rebate requirements of **Section 148(f)** of the Code); and (3) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the Lease; and

(b) All moneys and securities from time to time held by the Trustee under the terms of this Indenture, and any and all other personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as additional security hereunder 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;

it being the intent and purpose hereof that said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Trustee shall have the right to collect and receive all Base Rentals and other sums payable under the Lease and other moneys receivable with respect to the leasing and operation of the Leased Property or to be collected for the Project, all for application in accordance with the provisions hereof at all times during the period from and after the date of this Indenture until the Certificates have been fully paid and discharged;

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

IN TRUST NEVERTHELESS, upon the terms and subject to the conditions herein set forth, and for the equal and proportionate benefit, protection and security of all Registered Owners from time to time of the Certificates Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Certificates over any other of the Certificates except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the Principal Component and Interest Component of Base Rentals evidenced by the Certificates, plus prepayment premium, if any, are paid, at the times and in the manner specified in the Certificates and the Lease according to the true intent and meaning thereof, or if provision for the payment thereof is made (as provided in **Article VIII** hereof), and if all other sums of money due or to become due to the Trustee is paid to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by the City and the Trustee, that all Certificates secured hereunder are to be executed and delivered and that all of 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 Trustee and the City do hereby agree and covenant, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to words and terms defined in the Lease and elsewhere in this Indenture, the following words and terms used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"Additional Certificates" means any additional certificates of participation delivered pursuant to **Section 2.08** herein.

"Additional Project" means any capital improvements that are financed with the proceeds of Additional Certificates delivered pursuant to **Section 2.08** herein, for the use and benefit of the City.

"Arbitrage Investment Instructions" means the Arbitrage Investment Instructions included in the Tax Compliance Agreement, as amended from time to time in accordance with the provisions thereof.

"Authorized City Representative" means the Mayor or City Manager of the City, or such other person at the time designated, by written certificate furnished to the Trustee, as the person or persons authorized to act on behalf of the City. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the City by the Mayor or City Manager and may designate an alternate or alternates.

"Base Rentals" means the amount or amounts (comprising a Principal Component and an Interest Component) payable by the City pursuant to the Lease in consideration of the use and enjoyment of the Leased Property during the term of the Lease, on the dates and in the amounts as set forth in the Base Rental Payment Schedule specified in the Lease, as such Schedule may be revised as provided in the Lease and **Section 2.08** herein.

"Business Day" means any day other than (a) a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the corporate trust office of the Trustee are required or authorized by law to remain closed or (b) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Certificate Payment Fund" means the Certificate Payment Fund established pursuant to **Section 4.01** herein.

"Certificate Payments" means the payments to be made to the Owners of the Certificates, whether representing Interest Component only or Principal Component and Interest Component of Base Rentals under the Lease.

"Certificates" means any certificate of participation executed and delivered pursuant to this Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Completion Certificate" means the certificate provided to the Trustee pursuant to **Section 4.07** herein.

"Completion Date" means the date of completion of the Project as that date shall be certified as provided in **Section 4.07** herein.

"Construction Contracts" means the construction contracts which have been or will be entered into by the City and which will incorporate the Plans and Specifications.

"Construction Fund" means the Construction Fund established pursuant to **Section 4.01** herein.

"Costs of Delivery" means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Certificates, including rating agency fees, insurance premiums, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction, costs of title insurance and all other initial fees and disbursements contemplated by the Lease and this Indenture.

"Costs of the Project" means all reasonable or necessary expenses related or incidental to the acquisition, construction, renovation, installation, furnishing, equipping and operation of the Project, including the expenses of surveys, legal and other special services and all other necessary and incidental expenses, including Costs of Delivery.

"Defeasance Obligations" means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations, plus any cash in the escrow fund, are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations serving as security for the obligations, are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or S&P (presently "AAA"); or

(c) Cash.

"Directive" means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the Register, or their lawful attorneys-in-fact, representing no less than a majority of the aggregate unpaid Principal Component represented by the then Outstanding Certificates.

"City" means City of Gladstone, Missouri, a third class City and political subdivision existing under the laws of the State of Missouri.

"Event of Default" means an Event of Default as described in **Section 7.01** herein.

"Event of Lease Default" means an Event of Default under the Lease.

"Event of Nonappropriation" shall have the meaning set forth in the Lease.

"Fiscal Year" means the fiscal year of the City, currently the twelve-month period beginning on July 1 and ending on June 30.

"Funds" means, collectively, the Construction Fund, the Certificate Payment Fund, the Prepayment Fund and the Rebate Fund.

"Ground Lease" means the Ground Lease between the City, as lessor, and the Trustee, as lessee, granting the Trustee a leasehold interest in the Leased Property for a term stated therein, as said Ground Lease may be amended, extended or renewed from time to time.

"Indenture" means this Indenture of Trust dated as of June 1, 2021, as the same may from time to time be amended or supplemented in accordance with its terms.

"Initial Term" shall have the meaning specified in the Lease.

"Interest Component" means the portion of each Base Rental that represents the payment of interest as set forth in the Lease.

"Investment Securities" means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the City's moneys held in the Funds referred to in **Section 4.01** hereof:

(a) United States Government Obligations;

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, 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, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) and (d) and that 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 Fannie Mae, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; and

(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, 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), 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 (1) that invest in United States Government Obligations or that are registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and (2) that are rated in either of the two highest categories by a nationally recognized rating agency.

"Lease" means the Lease Purchase Agreement between the Trustee, as lessor, and the City, as lessee, and any amendments and supplements thereto.

"Lease Revenues" means the Base Rentals, Supplemental Rent and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, Net Proceeds and any and all interest, profits or other income derived from the investment thereof in any fund established pursuant to this Indenture.

"Leased Property" means all of the City's present or hereafter acquired interest in the real estate and improvements now or hereafter situated thereon which have been leased from the City to the Trustee pursuant to the Ground Lease, as described in **Schedule 1** attached hereto.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

"Net Proceeds" means, when used with regard to any insurance or condemnation award with respect to the Leased Property, the gross proceeds from the insurance or condemnation award less the payment of all expenses (including attorneys' fees, Trustee's fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Notice by Mail" or **"Notice"** of any action or condition **"by Mail"** means a written notice meeting the requirements of this Indenture mailed by first-class mail to the Owners of specified Certificates, at the addresses shown on the Register.

"Opinion of Counsel" means a written opinion of counsel who is acceptable to the Trustee and may be an employee of or counsel to the City or the Trustee.

"Option Price" means the price as specified in the Lease at which the City may elect to purchase from the Trustee the Trustee's interest in the Leased Property on the Optional Prepayment Date prior to the scheduled payment of all sums to be paid for the Trustee's interest in the Leased Property, as such Schedule may be revised hereafter in accordance with **Section 2.08** herein.

"Optional Prepayment Date" means any date on which Certificates may be prepaid pursuant to this Indenture and the Certificates.

"Outstanding" means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to this Indenture except (i) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (ii) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates have been executed and delivered by the Trustee pursuant to this Indenture, (iii) Certificates whose payment or prepayment has been provided for in accordance with **Article VIII** herein, and (iv) Certificates paid or deemed to be paid pursuant to **Article VIII** herein.

"Owner" means the registered owner of a Certificate as shown on the Register.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Payment Date" means each date on which payment of the Principal or Interest Component of Base Rentals represented by the Certificates is due and payable to an Owner.

"Payments" means the total amount of the Base Rentals and the Supplemental Rent payable during the Initial Term and each Renewal Term of the Lease.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent; (ii) the Ground Lease, the Lease, this Indenture and any financing statements naming the City as debtor and naming the Trustee as secured party now or hereafter filed to perfect the security interests granted by this Indenture, the Ground Lease or the Lease; (iii) utility, access and other easements and rights-of-way, restrictions, exceptions and encumbrances that will not materially interfere with or materially impair the use of the Leased Property; and (iv) such defects, irregularities, encumbrances, easements, mechanics' liens, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Leased Property and do not materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the City.

"Plans and Specifications" means the plans and specifications prepared for and showing the Project, as amended by the City from time to time prior to the Completion Date, the same being duly certified by an Authorized City Representative, which plans and specifications are on file at the principal office of the City and shall be available for reasonable inspection by the Trustee and its duly appointed representatives.

"Prepayment Date" means any date set for prepayment of the Principal Component of Base Rentals represented by Certificates.

"Prepayment Fund" means the Prepayment Fund established pursuant to **Section 4.01** herein.

"**Prepayment Price"** means, with respect to any Certificate (or portion thereof), the Prepayment Price as calculated herein and in the Certificates.

"Principal Component" means the portion of each Base Rental that represents the payment of principal as set forth in the Lease.

"Project" means the capital projects of the City as described in the Lease.

"Purchase Price" means the amount designated in the Lease that the City may pay to the Trustee to purchase the Trustee's interest in the Leased Property.

"Purchaser" means Robert W. Baird & Co., Inc., Red Bank, New Jersey, in its capacity as the original purchaser of the Series 2021A Certificates (as defined in **Section 2.02** hereof).

"Record Date" means, with respect to any Payment Date, the fifteenth day (whether or not a business day) of the month preceding each Payment Date.

"Register" means the books maintained by the Trustee for the registration, transfer and exchange of Certificates as described in **Section 2.06** herein.

"Registrar" means the Trustee when acting in that capacity, or its successor as Registrar.

"Renewal Term" shall have the meaning specified in the Lease.

"Replacement Certificates" means Certificates issued to the beneficial owners of the Certificates in accordance with **Section 2.09(b)** hereof.

"S&P" means S&P Global Ratings, its successors and assigns, and if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Special Tax Counsel" means Armstrong Teasdale LLP or any other attorney or firm of attorneys (which is mutually acceptable to the City and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture executed by the Trustee and the City pursuant to **Article VI**.

"**Supplemental Rent"** means the amount or amounts payable by the City pursuant to the Lease for other costs and expenses related to the Certificates.

"Term of the Lease" or **"Term of this Lease"** with respect to the possessory interest of the City means the Initial Term and any Renewal Terms as to which the City exercises its option to renew the Lease as provided in the Lease.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture.

"Trustee" means Security Bank of Kansas City, Kansas City, Kansas, in its capacity as Trustee hereunder, and its successors.

"**Trustee's Expenses"** means, collectively, all out-of-pocket expenses, disbursements and advances (including reasonable attorneys' fees and expenses) incurred by the Trustee hereunder or in connection with the Certificates, the Ground Lease and the Lease.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or 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, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service, and such obligations are held in a custodial or trust account for the benefit of the City.

Section 1.02. General Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include individuals, corporations, partnerships, joint ventures, associations, joint-stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

The words "herein," "hereby," "hereunder," "hereof," "hereto," "hereinbefore," "hereinafter" and other equivalent words refer to this Indenture and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

Reference herein to a particular article or a particular section, exhibit, schedule or appendix shall be construed to be a reference to the specified article or section hereof or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or intent.

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.

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

All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

Section 1.03. Execution in Counterparts. This Indenture may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

Section 1.04. 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 circumstance, 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 1.05. Date of Indenture. The dating of this Indenture is intended for the convenient identification of this Indenture only and is not intended to indicate that this Indenture was executed and delivered on said date, this Indenture being executed and delivered and becoming effective simultaneously with the initial delivery of the Certificates.

Section 1.06. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Missouri.

ARTICLE II

THE CERTIFICATES

Section 2.01. Preparation of Certificates. The Trustee is hereby authorized to prepare, execute and deliver the Certificates, upon the order of, and in the amount specified by, the City. The Trustee shall not at any time, except as provided in this Article, execute additional Certificates evidencing ownership interests in the right to receive Lease Revenues.

Section 2.02. General Provisions Concerning the Certificates.

(a) There shall be initially delivered and secured by this Indenture a series of Certificates in the aggregate principal amount of $[Principal Amount] for the purpose of providing funds, together with other available funds of the City, to pay or reimburse the City for the Costs of the Project and to pay certain costs related to the authorization, execution and delivery of the Series 2021A Certificates. Said series of Certificates shall be designated "City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A" (herein called the "Series 2021A Certificates"). The Series 2021A Certificates shall be dated as of the original date of issuance and delivery, shall become due on March 1 in the years and in the respective principal amounts (subject to prepayment as hereinafter provided in **Article III**), and shall bear interest at the respective rates per annum, as follows:

Serial Certificates

Due March 1	Principal Amount	Interest Rate
2022	$545,000	5.000%
2023	$425,000	5.000%
2024	$475,000	5.000%
2025	$490,000	5.000%
2026	$510,000	5.000%
2027	$520,000	5.000%
2028	$535,000	5.000%
2029	$565,000	5.000%
2030	$590,000	5.000%
2031	$620,000	5.000%
2032	$650,000	3.000%
2033	$670,000	3.000%
2034	$725,000	2.000%
2035	$725,000	2.000%
2036	$730,000	2.000%
2037	$745,000	2.000%
2040	$730,000	2.000%
2041	$745,000	2.000%
2042	$760,000	2.125%
2043	$770,000	2.125%
2044	$785,000	2.125%

Term Certificates

Due March 1:	Principal Amount	Interest Rate
2039	$1,530,000	2.000%

(b) The Certificates shall bear interest at the rates aforesaid (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 on March 1 and September 1 in each year, beginning on September 1, 2021.

(c) The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof, numbered from 1 consecutively upward in order of delivery, or in such other manner approved by the Trustee.

(d) The Trustee shall execute the Series 2021A Certificates in the manner set forth in **Section 2.03** hereof, but prior to or simultaneously with the delivery of the Series 2021A Certificates by the Trustee to the Purchaser thereof, there shall be filed with the Trustee the following:

(1) An original or certified copy of the Resolution adopted by the governing body of the City authorizing the execution and delivery of the Ground Lease, the Lease and the Indenture;

(2) An original executed counterpart of this Indenture, the Ground Lease and the Lease;

(3) An ALTA leasehold title insurance policy, or commitment therefore, in form and substance acceptable to the Purchaser and the Trustee;

(4) A request and authorization to the Trustee by the City to execute and authenticate the Series 2021A Certificates and to deliver said Series 2021A Certificates to or upon the order of the purchasers therein identified upon payment to the Trustee of the purchase price thereof. The Trustee shall be entitled to conclusively rely upon such request and authorization as to the names of the purchasers and the amount of such purchase price;

(5) An Opinion of Special Tax Counsel to the effect that the Series 2021A Certificates represent valid and legally binding, undivided interests in the rights to receive Base Rentals from the City under the Lease, that the interest component of the Base Rentals is excludable from gross income for federal and Missouri income tax purposes, that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and that the Series 2021A Certificates are exempt from registration under the Securities Act of 1933, as amended; and

(6) Such other certificates, statements, receipts, opinions and documents as the Trustee or Special Tax Counsel shall reasonably require for the delivery of the Series 2021A Certificates.

When the documents specified above shall have been filed with the Trustee, the Trustee shall execute and deliver the Series 2021A Certificates to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of the Series 2021A Certificates. The proceeds of the sale of the Series 2021A Certificates, including accrued interest and premium thereon, if any, shall be deposited and applied as provided in **Article IV** hereof.

(e) The Certificates and the form of assignment to appear thereon shall be in substantially the form set forth in **Exhibit A** attached hereto, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

(f) The Certificates shall be fully registered Certificates without coupons transferable to subsequent owners only on the Register as hereinafter provided. Each Certificate shall be in the denomination of $5,000 or any integral multiple thereof.

(g) The Certificates shall be consecutively numbered from 1 upward for each series.

(h) Each of the Certificates shall represent the Interest Component and Principal Component of the Base Rentals payable with respect thereto and shall be on a parity with the other Certificates as to the entire Trust Estate. The Principal Components of the Base Rentals represented by the Certificates shall be payable, subject to prior prepayment upon the terms and conditions hereinafter set forth. The Interest Component of the Base Rentals represented by each Certificate shall be computed at the applicable per annum rate set forth on the schedule below on the Principal Component thereof on the basis of a 360-day year of twelve 30-day months.

(i) The Interest Component of the Base Rentals represented by each Certificate shall be payable from the date of the Certificate or from the most recent date to which such Interest Component has been paid.

(j) Payment of the Interest Component of the Base Rentals represented by any Certificates shall be made to the person appearing on the Register as the Owner thereof on the Record Date, such Interest Component to be paid to such Owner by check or draft drawn on the Trustee and mailed on the Payment Date to such Owner's address as it appears on the Register on the Record Date. Upon the request and at the expense of any Owner of at least $500,000 in principal amount of the Certificates, payments of interest on the Certificates shall be made by electronic transfer to such Owner upon written notice given to the Trustee by such Owner not less than five days prior to the Record Date for such interest components, containing the electronic transfer instructions including 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.

(k) The Principal Component of the Base Rentals represented by the Certificates shall be payable (whether at maturity or upon prepayment or acceleration) to the Owners of such Certificates upon presentation and surrender of such Certificates at the payment office of the Trustee.

(l) Payment of Certificate Payments and of the Prepayment Price of Certificates shall be made in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for public and private debts.

Section 2.03. Execution of Certificates. The Certificates shall be executed by and in the name of the Trustee, as Trustee hereunder, by the manual signature of an authorized officer or signatory of the Trustee.

Section 2.04. Transfer of Certificates. Any Certificate may be transferred upon the Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. The Trustee shall also require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchange of any Certificate shall be required of the Trustee after such Certificate has been called for prepayment. In the event any Owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to 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 Owner hereunder or under the Certificates.

Section 2.05. Exchange of Certificates. Certificates may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Certificates of the same payment date, interest rate and tenor.

Section 2.06. Registration Books. The Registrar will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Certificates (the "Register"), which shall at all reasonable times be open to inspection by the Trustee and the City. Upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Register, Certificates as hereinbefore provided.

The person in whose name any Certificate is registered shall be deemed the Owner thereof for all purposes hereof. Payment of or on account of the Interest Components and Principal Components of Base Rentals represented by such Certificate shall be made only to or upon the order in writing of the Owner on the Record Date for such payment, which payments shall be valid and effectual to satisfy and discharge the liability under the Lease as represented by such Certificate to the extent of the sum or sums so paid.

Section 2.07. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate becomes mutilated, the Trustee, at the expense of the Owner of the Certificate, shall execute and deliver a new Certificate of like tenor, maturity, interest rate and number in exchange and substitution for the mutilated Certificate (except that such number may be preceded by a distinguishing prefix), but only upon surrender to the Trustee of the mutilated Certificate. Every mutilated Certificate surrendered to the Trustee shall be canceled by it and destroyed. If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and indemnity of the City and the Trustee satisfactory to the Trustee is given, the Trustee, at the expense of the Owner of the Certificate, shall execute and deliver a new Certificate of like tenor, maturity, interest rate and number as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered under this Section and of the expenses which may be incurred by the Trustee under this Section. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be Outstanding hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificates shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and which has matured, the Trustee may make payment of such Certificate.

Section 2.08. Authorization of Additional Certificates.

(a) Additional Certificates may be delivered under and be equally and ratably secured by this Indenture on a parity with the Series 2021A Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under this Indenture, upon compliance with the conditions hereinafter provided in this Section, for any one or more of the following purposes:

(1) To provide funds to complete the Project or to pay all or any part of the costs of any Additional Project including without limitation costs related to the delivery of the Additional Certificates, interest during construction and any reasonable reserves; and

(2) To provide funds for the purpose of refunding all or a portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated prepayment date, any reasonable reserves, and any expenses in connection with such refunding.

(b) Before any Additional Certificates shall be delivered under the provisions of this Section, the City shall (1) authorize the delivery of such Additional Certificates, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Certificates are being delivered or describing the Certificates to be refunded, (2) authorize the Trustee to execute a Supplemental

Indenture for the purpose of delivering such Additional Certificates, and (3) authorize the Trustee to enter into an amendment to the Lease with the City to provide for additional Base Rentals to finance the purchase, construction and installation of any Additional Project, for the inclusion of any such Additional Project as a part of the Leased Property, and for such other matters as are appropriate because of the delivery of the Additional Certificates proposed to be delivered which, in the judgment of the Trustee, do not materially and adversely affect the security of the Owners of the Certificates previously delivered.

(c) Each series of Additional Certificates shall be delivered pursuant to a supplement to this Indenture and shall be equally and ratably secured under this Indenture with the Certificates and any other series of Additional Certificates, without preference, priority or distinction of any Certificates over any other Certificates. Unless provided otherwise in a supplement to this Indenture, all such Additional Certificates shall be in substantially the same form as the Certificates, but shall be of such denomination or denominations, bear such date or dates, bear interest at such rate or rates, have such maturity date or dates, redemption dates and redemption premiums, contain an appropriate series designation, and be delivered at such prices as shall be designated in a supplemental to this Indenture and approved by the City.

(d) The Trustee shall execute and deliver Additional Certificates substantially in the same form and manner set forth for the Certificates in this Article, but prior to or simultaneously with the execution and delivery of such Additional Certificates by the Trustee, there shall be filed with the Trustee the following:

(1) The written consent of the City to the delivery of Additional Certificates.

(2) A certificate of the City, stating that as of the date of such delivery no event or condition has happened or existed and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under the Indenture or the Lease and there has not occurred an Event of Nonappropriation.

(3) An original executed counterpart of the Supplemental Indenture and the amendment to the Ground Lease and the Lease providing, among other things, for adjusting the Base Rentals payable by the City under **Section 3.01** of the Lease to include payment of the Interest Component and the Principal Component of the Base Rentals represented by such Additional Certificates and for adjusting the Option Price payable at the option of the City under the Lease.

(4) Additional Certificates may be delivered without the consent of the Owners of the Certificates to (a) refund the Certificates of any series in a manner which provides present value debt service savings to the City, or (b) to provide funds to complete the Project or to pay all or any part of the costs of any Additional Project, including without limitation costs related to the delivery of the Additional Certificates, interest during construction and any reasonable reserves. No variable rate debt, direct or derivative, shall be permitted.

(5) An opinion of Special Tax Counsel to the effect that the Additional Certificates represent valid and legally binding proportionate interests in the rights to receive Base Rentals from the City under the Lease and that the delivery of such Additional Certificates will not result in the Interest Component of the Base Rentals distributed to the Owners of any Certificates then Outstanding becoming includible in gross income for federal and Missouri income tax purposes because of the delivery of Additional Certificates.

(6) In the case of Additional Certificates being delivered to refund Outstanding Certificates, such additional documents as shall be reasonably required by the Trustee to evidence that provision has been duly made in accordance with the provisions of **Article VIII** herein for the payment of the Certificates to be refunded.

(7) Such other certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Certificates.

When the documents specified in this subsection have been filed with the Trustee, the Trustee shall execute and deliver such Additional Certificates to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Certificates. The proceeds of the sale of such Additional Certificates shall be immediately paid over and shall be deposited and applied as provided in the Supplemental Indenture authorizing the delivery of such Additional Certificates.

Section 2.09. Book-Entry Certificates; Securities Depository.

(a) The Certificates shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Certificates, except in the event the Trustee delivers Replacement Certificates as provided in subsection (b) hereof. It is anticipated that during the term of the Certificates, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal, premium, if any, and interest components with respect to the Certificates to the Participants until and unless the Trustee authenticates and delivers Replacement Certificates to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Certificates being delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, or (2) if the Trustee receives written notice from Participants having interests in not less than 50% of the Certificates Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Certificates being delivered to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Certificates, then the Trustee shall notify the Owners of such determination of such notice and of the availability of certificates to Owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Certificates to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Trustee, may select a successor securities depository in accordance with **Section 2.09(c)** to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository is the registered owner of at least one Certificate. Upon the delivery of Replacement Certificates, 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 Certificates. If the Securities Depository resigns and the City, the Trustee or the Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 2.09(c)**, then the Trustee shall

authenticate and cause delivery of Replacement Certificates to Owners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names and addresses of, and principal amounts held by, the beneficial owners of the Certificates. The cost of printing Replacement Certificates shall be paid for by the City.

(c) 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, 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 such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Certificate or Certificates for cancellation shall cause the delivery of Certificates to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

PREPAYMENT

Section 3.01. General. The Certificates are subject to prepayment pursuant to this Article to the extent that prepayments of Base Rentals are required, allowed or provided for under the Lease.

Section 3.02. Prepayment Provisions.

Optional Prepayment. The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032, and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

Mandatory Prepayment. The Series 2021A Certificates shall be subject to mandatory prepayment prior to stated maturity at a prepayment price of 100% of the principal amount so prepaid plus accrued interest thereon to the Prepayment Date, without premium, on March 1 in the following years and in the following principal amounts:

Term Certificates Maturing March 1, 2039

March 1 Prepayment Date	**Principal Amount**
2038	$760,000
2039*	$770,000

*Final Maturity

Extraordinary Optional Prepayment in the Event of Damage, Destruction or Condemnation. The Series 2021A Certificates are subject to prepayment in whole or in part at any time, at a Prepayment Price

equal to 100% of the principal amount to be prepaid, together with accrued interest thereon to the date fixed for prepayment, but without premium, upon instructions from the City in the event that:

(1) title to, or the use for a limited period of, all or a substantial portion of the Leased Property is condemned by any authority having the power of eminent domain (other than the City or an entity controlled by, or affiliated with the City) to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any condemnation awards or sale under threat of condemnation with respect thereto;

(2) title to all or a substantial portion of the Leased Property is found to be deficient or nonexistent to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any title insurance;

(3) all or a substantial portion of the Leased Property is damaged or destroyed by fire or other casualty to such extent that in the determination of the City (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the City is thereby prevented from carrying on its normal operations of such facilities, or (C) the cost of restoration or replacement thereof would exceed the net proceeds of any casualty insurance; or

(4) as a result of changes in the constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Ground Lease, the Lease or the Indenture shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City with respect to the Ground Lease, the Lease or the Indenture.

Section 3.03. Selection of Certificates for Prepayment. If less than all of the Outstanding Certificates are called for prepayment, (1) Certificates shall be prepaid in such order of stated Payment Dates as shall be determined by the City, and (2) within a stated Payment Date the Trustee shall select the Certificates or any given portion thereof to be prepaid in such equitable manner as the Trustee shall determine in principal amounts of $5,000 or integral multiples thereof.

Section 3.04. Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of the same stated payment date, equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered. In the case of a partial prepayment of Certificates when Certificates of denominations greater than $5,000 are then Outstanding, then for all purposes in connection with such prepayment each $5,000 of face value shall be treated as though it were a separate Certificate of the denomination of $5,000. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any Certificate is selected for prepayment, then upon notice of intention to prepay such $5,000 unit or units, the Owner of such Certificate or his duly authorized agent shall forthwith present and surrender such Certificate to the Trustee (1) for payment of the price (including the premium, if any, and interest to the date fixed for prepayment) of the $5,000 unit or units of face value called for prepayment, and (2) for exchange, without charge to the Owner thereof, for a new Certificate or Certificates of the aggregate principal amount of the unpaid portion of the principal amount of such Certificate. If the Owner of any such Certificate of a denomination greater than $5,000 shall fail to present such Certificate to the Trustee for

payment and exchange as aforesaid, such Certificate shall, nevertheless, become due and payable on the prepayment date to the extent of the $5,000 unit or units of face value called for prepayment (and to that extent only).

Section 3.05. Notice of Prepayment. Unless otherwise provided herein, notice of prepayment shall be given by the Trustee, by first class mail at least 30 days prior to the Prepayment Date, to the City and the Owner of each Certificate affected at the address shown on the Register on the date such notice is mailed. Each notice of prepayment shall state, (i) the Prepayment Date, (ii) the place of prepayment, (iii) the Prepayment Price, (iv) if less than all the certificates within a stated payment date are to be prepaid, the numbers of the Certificates to be prepaid, and (v) that the proposed prepayment is conditioned upon there being on deposit in the applicable fund or account on the Prepayment Date sufficient money to pay the full Prepayment Price of the Certificates to be prepaid. Such notice shall also state that the Interest Component of the Base Rentals represented by the Certificates designated for prepayment shall cease to accrue from and after the Prepayment Date and that on said date the Prepayment Price will become due and payable on each of the prepaid Certificates.

Notice of prepayment of Certificates shall either (a) explicitly state that the proposed prepayment is conditioned on there being on deposit in the Prepayment Fund on the prepayment date sufficient money to pay the full prepayment price of the Certificates to be prepaid, or (b) be sent only if sufficient money or securities to pay the full prepayment price of the Certificate to be prepaid is on deposit in the Prepayment Fund or other fund.

The Trustee shall comply with any mandatory standards established by the Securities and Exchange Commission that are then in effect for processing redemptions of municipal securities. Failure to comply with such standards shall not affect or invalidate the prepayment of any Certificate.

So long as the Securities Depository is effecting book-entry transfers of the Certificates, the Trustee shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository will, 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 Certificate (having been mailed notice from the Trustee, a Participant or otherwise) to notify the beneficial owner of the Certificate so affected, shall not affect the validity of the prepayment of such Certificate.

Section 3.06. Effect of Prepayment. After funds sufficient for payment of the Prepayment Price have been deposited with the Trustee and notice of prepayment has been given as aforesaid, on the Prepayment Date designated in the notice, (1) the Certificates (or portions thereof) called for prepayment shall become due and payable at the Prepayment Price specified in the notice, (2) the Interest Component of Base Rentals represented by the Certificates called for prepayment shall cease to accrue, (3) the Certificates (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and (4) the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled upon surrender thereof by the Trustee.

ARTICLE IV

DELIVERY OF CERTIFICATES; FUNDS; APPLICATION OF CERTIFICATE PROCEEDS AND OTHER MONEYS

Section 4.01. Establishment of Funds. There are hereby established with the Trustee the following funds:

(a) Construction Fund;
(b) Certificate Payment Fund;
(c) Prepayment Fund; and
(d) Rebate Fund.

All Funds identified above shall be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the Funds shall be applied as hereinafter provided. Separate subaccounts shall be established for each series of Certificates or as otherwise required by the Indenture.

Section 4.02. Application of Certificate Proceeds and Other Moneys.

The proceeds of the sale and delivery of the Series 2021A Certificates shall be deposited or applied as follows:

(a) To the Certificate Payment Fund, a sum equal to the accrued interest, if any, on the Series 2021A Certificates paid on the initial delivery date by the purchasers of the Certificates.

(b) To the Construction Fund, the balance of the proceeds to be received from the sale of the Series 2021A Certificates.

Section 4.03. Application of Base Rentals. Base Rentals shall be deposited, as received, in the Certificate Payment Fund. The Trustee shall give to the City the notices of payment of Base Rentals contemplated by the Lease.

Section 4.04. Disbursements from the Construction Fund.

(a) The Trustee shall pay Costs of Delivery from the Construction Fund upon receipt of Disbursement Requests therefor signed by the City, which Disbursement Request shall contain the statements, representations and certifications and otherwise shall be substantially in the form attached hereto as **Exhibit B**.

Moneys in the Construction Fund shall also be used to pay for Costs of the Project. The Trustee shall disburse moneys from the Construction Fund on or before the fifth Business Day following the submission to the Trustee of Disbursement Requests therefore signed by an Authorized City Representative, and containing the statements, representations and certifications and otherwise shall be substantially in the form attached hereto as **Exhibit B** and shall have attached thereto the items described in said form.

The Trustee shall maintain adequate records pertaining to the Construction Fund and all disbursements therefrom, and shall file monthly statements of activity regarding the Construction Fund with the City. The Trustee may rely conclusively on any Disbursement Request relating to the

Construction Fund and shall not be required to make any independent investigation in connection therewith.

(b) The Completion Date of the Project and the payment of all Costs of the Project (other than Costs of the Project for which sufficient amounts are retained in the Construction Fund) shall be evidenced by the filing with the Trustee of the items specified in **Section 4.07** herein. As soon as practicable after the Completion Date, any balance remaining in the Construction Fund (other than any amounts specified in the Completion Certificate to be retained therein to pay remaining Costs of the Project) shall be transferred without further authorization to the Certificate Payment Fund to be used as described in **Section 4.05** herein.

(c) In the event of acceleration of all the Certificates pursuant to **Section 7.02** herein, any moneys then remaining in the Construction Fund shall, after the payment of amounts due under paragraph (a) of this Section, be transferred to the Certificate Payment Fund.

Section 4.05. Application of Moneys in the Certificate Payment Fund. Except as otherwise provided herein, all amounts in the Certificate Payment Fund shall be used and withdrawn by the Trustee solely to pay the Interest Components of Base Rentals represented by the Certificates when due and payable (including accrued interest with respect to any Certificates prepaid prior to the stated payment date thereon pursuant to **Section 3.02** herein) and to pay the Principal Components of Base Rentals represented by Certificates (including any prepayments pursuant to **Section 3.02** herein).

Section 4.06. [Reserved].

Section 4.07. Completion Date; Excess Funds. The Completion Date shall be evidenced to the Trustee upon receipt by the Trustee of a certificate signed by the City (the **"Completion Certificate"**) stating (i) the date on which the Project was substantially completed, (ii) that, except for Costs of the Project described in accordance with clause (iii), all Costs of the Project have been paid, and (iii) the amounts, if any, to be retained in the Construction Fund for the payment of Costs of the Project, if any, not yet due or Costs of the Project liability for which the City is contesting, and amounts that otherwise should be retained and the reasons they should be retained.

The Completion Certificate may state that it is given without prejudice to any rights of the City that then exist or may subsequently come into being against third parties. Any amounts remaining in the Construction Fund (other than amounts to be retained in the Construction Fund to pay any remaining Costs of the Project) shall be transferred to the Certificate Payment Fund.

Section 4.08. Prepayment Fund. All monies to be used for the prepayment of Certificates shall be deposited in the Prepayment Fund. Said monies shall be set aside in the Prepayment Fund solely for the purpose of prepaying the Principal Component and Interest Component of Base Rentals represented by the Certificates, together with premium, if any, with respect thereto, in advance of the stated payment dates of the Certificates and shall be applied on or after the Optional Prepayment Date or other date designated for prepayment of the Certificates upon presentation and surrender of such Certificates and the payment of the Prepayment Price. The City shall have no legal or equitable interest in any of the monies in the Prepayment Fund and such monies shall only be used as set forth in this Section.

Section 4.09. Insurance. All Net Proceeds (including any monies derived from any self-insurance program) from policies of insurance required by the Lease or condemnation awards which are received by the Trustee shall be deposited into a separate subaccount in the Construction Fund. The Authorized City Representative shall file a certificate with the Trustee, within ninety (90) days after the

occurrence of the event giving rise to such Net Proceeds, directing the application and disbursement of such funds as follows:

(a) to the prompt repair, replacement, restoration, modification or improvement of the damaged or destroyed portion of the Leased Property if such certificate states that such Net Proceeds, together with any other funds lawfully available to the City for such purpose, are sufficient to pay in full the costs of such repair, replacement, restoration, modification or improvement, and the Trustee is hereby authorized to disburse monies from the Construction Fund as so directed by the Authorized City Representative upon receipt of evidence satisfactory to the Trustee of the application of such funds for such purpose; or

(b) for transfer to the Prepayment Fund to the prepayment, in whole or in part, of the Certificates, and the Trustee is hereby authorized to withdraw monies from the Construction Fund and deposit them into the Prepayment Fund to be applied to such prepayment as directed by the City, in accordance with the Lease.

Section 4.10. Repayment to the City from the Funds. After payment in full of all Payments or the earlier purchase of the Trustee's interest in the Leased Property pursuant to the Lease, all amounts remaining in the Funds shall be paid to the City.

Section 4.11. Payments Due on Days Other than Business Days. In any case where the date of maturity of Principal Components of, prepayment premium, if any, or Interest Components of Base Rentals represented by the Certificates or the date fixed for prepayment of any Certificates shall be a day other than a Business Day, then payment on the Certificates need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and no interest shall accrue for the period after such date.

Section 4.12. Nonpresentment of Certificates. In the event that any Certificate shall not be presented for payment when the payment becomes due, either at maturity or otherwise, or at the date fixed for prepayment thereof, if funds sufficient to pay such Certificate shall have been made available to the Trustee, all liability to the Owner thereof for the payment of such Certificate shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature under this Indenture or on, or with respect to, said Certificate. If any Certificate shall not be presented for payment within one year following the date when such Certificate becomes due, the Trustee upon the request of the City shall repay to the City the funds theretofore held by the Trustee for payment of such Certificate, and such Certificate shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 4.13. Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Investment Instructions. Subject to the payment provisions provided in subsection (b) below, all amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay arbitrage rebate to the United States of America, and neither the City nor

the Owner of any Certificates shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Arbitrage Investment Instructions.

(b) Pursuant to the Arbitrage Investment Instructions, the Trustee shall remit all required rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the Arbitrage Investment Instructions, other than from moneys held in the Rebate Fund created under this Indenture as provided in this Indenture or from other moneys provided to it by the City. Any moneys remaining in the Rebate Fund after prepayment of all of the Certificates and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the City.

(c) Notwithstanding any other provision of this Indenture, the obligation to pay rebate to the United States and to comply with all other requirements of this Section and the Arbitrage Investment Instructions shall survive the defeasance or payment in full of the Certificates until all rebate shall have been paid.

ARTICLE V

DEPOSITARIES OF MONEYS; SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 5.01. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the various Funds under this Indenture shall be held by the Trustee in trust and shall be applied only in accordance with this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate (except the Rebate Fund) and be subject to the lien hereof. The Trustee shall not be under any liability for interest on any moneys received hereunder except as provided herein.

Section 5.02. Investment of Moneys in Various Funds. Moneys held in the various Funds shall be invested and reinvested by the Trustee, pursuant to written direction of the City, signed by an Authorized City Representative, in Investment Securities which mature or are subject to redemption by the holder prior to the date such funds will be needed.

The Trustee shall sell and reduce to cash a sufficient amount of Investment Securities held by the Trustee in any Fund hereunder whenever the cash balance in such Fund is insufficient for the purpose of the Fund. All Investment Securities shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund in which such moneys are originally held. The interest accruing thereon and any profit realized from such Investment Securities shall be credited to such Fund, and any loss resulting from such Investment Securities shall be charged to such Fund, except that interest accruing on moneys in the Construction Fund shall be credited to the Certificate Payment Fund.

The Trustee may make any and all investments permitted by this Section through its own bond department or short-term investment department.

Investments shall be valued by the Trustee or other fiduciary not less often than semi-annually, at the market value thereof.

ARTICLE VI

AMENDMENT OF THE INDENTURE, THE LEASE OR THE GROUND LEASE

Section 6.01. Amendments Permitted.

(a) In addition to amendments permitted by subparagraph (b) below, this Indenture, the Lease and the Ground Lease may be modified or amended from time to time and at any time by an amendment or supplement hereto or thereto which the parties hereto or thereto may enter into when the written consent of the Trustee (which shall not unreasonably be withheld), the City (if not a party hereto or thereto), and the Owners of a majority in aggregate principal amount of the Certificates then Outstanding have been filed with the Trustee. No such modification or amendment shall (i) extend the stated payment date of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Prepayment Price provided in the Indenture for the payment of any Certificate, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto without the consent of the Owner of each Certificate so affected, or (ii) reduce the percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or permit the creation of any lien on the Trust Estate or deprive the Owners of the trust created by this Indenture with respect to the Trust Estate (except as expressly provided in this Indenture) without the consent of the Owners of all of the Certificates then Outstanding. Promptly after the execution by the Trustee of any amendment pursuant to this subsection (a), the Trustee shall give Notice by Mail, setting forth in general terms the substance of such amendment to the Owners at the addresses listed on the Register. Any failure to give such notice, or any defect therein, shall not in any way impair or affect the validity of any such amendment.

(b) Notwithstanding subsection (a), this Indenture, the Lease or the Ground Lease may also be modified or amended without the consent of or notice to any Certificate Owners, but with the written consent of the City, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in the Lease or the Ground Lease, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof); provided, however, that no such covenant, agreement, pledge or assignment shall, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, the Ground Lease or the Lease, or in regard to matters or questions arising under this Indenture, the Ground Lease or the Lease not inconsistent with said agreements, or as may be requested by the City or the Trustee, and which shall not, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not, in the sole judgment of the Trustee, materially and adversely affect the security for the Owners of the Certificates;

(iv) to deliver Additional Certificates;

(v) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Component of Base Rentals from gross income for purposes of federal and Missouri income taxation related to the Certificates; or

(vi) to make any other change which does not, in the sole judgment of the Trustee, materially and adversely affect the security for the owners of the Certificates then Outstanding.

(c) The Trustee shall cause notice of any amendments to this Indenture, the Lease or the Ground Lease and a copy thereof to be given to any rating agency rating the Certificates at least 15 days prior to the execution of such documents.

Section 6.02. Effect of Amendments. Upon the execution of any amendments hereto, pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 6.03. Endorsement of Certificates; Preparation of New Certificates. Certificates delivered after the execution of any amendment pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to any modification or amendment provided for in such amendment. In that case, upon demand of the Owner of any Certificate Outstanding at the time of such execution and presentation of his Certificate for such purpose at the principal corporate trust office of the Trustee, a suitable notation shall be made on such Certificate. If the amendment shall so provide, new Certificates so modified as to conform, in the opinion of the Trustee, to any modification or amendment contained in such amendment, shall be prepared and executed by the Trustee, and upon demand of the Owners of any Certificates then Outstanding shall be exchanged at the principal corporate trust office of the Trustee, without cost to any Certificate Owner, for Certificates then Outstanding, upon surrender for cancellation of such Certificates in equal aggregate principal amounts of the same payment date, interest rate and tenor.

Section 6.04. Amendment of Particular Certificates. The provisions of this Article shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS OF CERTIFICATES

Section 7.01. Defaults. The occurrence of any of the following events, subject to the provisions of **Section 7.09**, is hereby defined as an "Event of Default":

(a) Default in the due and punctual payment of any Interest Component of Base Rentals represented by a Certificate; or

(b) Default in the due and punctual payment of the Principal Component of Base Rentals represented by a Certificate, whether at the stated payment date thereof or the Prepayment Date set therefor in accordance with the terms hereof; or

(c) Any Event of Lease Default; or

(d) Default in the terms, conditions or covenants of this Indenture.

Immediate notice of any Event of Default shall be given to the Lessee by the Trustee or to the Trustee, the Lessee by the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding.

Section 7.02. Acceleration. Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee may, and upon receipt of written instruction from the Owners of Certificates representing not less than 25% of the aggregate Principal Component represented by the Certificates then Outstanding shall, by notice in writing delivered to the City, declare the Principal Component of Base Rentals due during the current Renewal Term and the interest accrued thereon to the date of such acceleration immediately due and payable.

Section 7.03. Other Remedies Upon an Event of Default or Event of Nonappropriation. Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee may exercise any remedies available hereunder, under the Lease or under the Ground Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Leased Property or the Trustee's interest in the Leased Property and apply the net proceeds thereof in accordance with **Section 7.05** herein and, whether or not it has done so, may pursue any other remedy available to it under the Lease, this Indenture, the Ground Lease or at law or in equity against the Trust Estate or the Leased Property.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy. Each remedy shall be in addition to any other remedy given to the Trustee or to the Certificate Owners hereunder 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 any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

No waiver of any default hereunder shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon.

Section 7.04. Rights of Certificate Owners. If an Event of Default or Event of Nonappropriation has occurred and is continuing and if instructed to do so by a Directive, and if indemnified as provided in **Section 9.01(m)**, the Trustee shall exercise such rights and remedies conferred by this Article as the Trustee, upon the advice of its chosen counsel, deems to be in the interests of the Certificate Owners.

Section 7.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances

incurred or made by the Trustee, be deposited into the Certificate Payment Fund. All moneys in the Funds, other than the Rebate Fund, shall be applied as follows:

(a) Unless the Principal Components of Base Rentals represented by the Certificates have become or have been declared due and payable, all moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of the Interest Components of Base Rentals represented by the Certificates in the order of the maturity of the installments of such interest and, to the payment ratably, according to the amount due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid Principal Components of Base Rentals represented by any Certificates that have become due (other than Principal Components of Base Rentals represented by Certificates with respect to the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of such due dates, with interest from the respective dates upon which they become due and, if the amount available is not sufficient to pay in full the Principal Components of Base Rentals represented by Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the Principal Components of Base Rentals represented by Certificates have become due or have been declared due and payable during the current Renewal Term, all such moneys shall be applied to the payment of the Principal Components and the Interest Components of the Base Rentals then due and unpaid upon the Certificates without preference or priority of principal over the interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the Principal Components of the Base Rentals represented by Certificates have been declared due and payable during the current Renewal Term and if such declaration thereafter has been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the Principal Components of Base Rentals represented by the Certificates later become due or are declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of 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 moneys available for the application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee applies such funds, it shall fix the date (which shall be a Payment Date unless it deems another date more suitable) upon which such application is to be made and upon such date interest on the Principal Components to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any Certificate until such Certificate is presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the Principal Component and the Interest Component of all Base Rentals represented by all Certificates have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining in the Funds shall be paid to the City.

Section 7.06. Remedies Vested in Trustee. All remedies and rights of action (including the right to file proof of claims) under this Indenture or under any of the Certificates may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceedings relating thereto. 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 Owners of the Certificates. Any recovery of judgment or other amounts shall be for the equal benefit of the Owners of the Outstanding Certificates.

Section 7.07. Rights and Remedies of Certificate Owners. No Owner of any Certificates shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Ground Lease, the Lease or this Indenture for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder or hereunder, unless (a) an Event of Default or an Event of Nonappropriation has occurred; (b) the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee thereafter fails or refuses to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its name. Such occurrence, 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 the 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 right or remedy hereunder. No one or more Owners of the Certificates shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of this Indenture by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided. 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 Certificates then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Certificate Owner to enforce the payment of the Principal Component of and the Interest Component of the Base Rentals represented by any Certificate at and after the stated payment date or earlier mandatory prepayment thereof.

Section 7.08. Termination of Proceedings. If the Trustee has proceeded to enforce any right or remedy under the Ground Lease, the Lease or 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 and the Trustee shall be restored to their former respective positions and rights thereunder and hereunder and all rights remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Section 7.09. Waivers of Defaults. The Trustee shall waive any Event of Default and its consequences and rescind any declaration of the acceleration of the Principal Component of Base Rentals upon the written request of the Owners of (a) a majority in aggregate principal amount of all Certificates then Outstanding with respect to which a default in the payment of Principal Component of Base Rentals represented thereby exists; or (b) a majority in aggregate principal amount of all Certificates then Outstanding in the case of any other default; provided, however, that there shall not be waived (i) any Event of Default respecting the payment of the Principal Component of Base Rentals represented by any Certificate at its stated payment date, or (ii) any Event of Default respecting the payment of the Interest

Component of Base Rentals represented by any Certificate, unless prior to such waiver or rescission, all arrears of principal and interest when due, as the case may be, and all expenses of the Trustee in connection with such default have been paid or provided for and, if any such waiver, rescission or proceeding(s) taken by the Trustee on account of any such default have been discontinued or abandoned or determined adversely, then the Trustee, the City, and the Certificate Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.10. Notices of Defaults. If a default occurs of which the Trustee is required to take notice or if notice of default is given as provided in **Section 9.01(f)** herein, the Trustee shall give written notice thereof immediately, if a payment default, or within 30 days of the Trustee's knowledge thereof for any other default, by first class mail, postage prepaid, to the Owners of all Certificates then Outstanding at their respective addresses appearing on the Register.

ARTICLE VIII

DEFEASANCE

Section 8.01. Discharge of Indenture.

(a) When (i) all the Certificates have been paid or are deemed to be paid pursuant to **Section 8.02**, (ii) the City has delivered to the Trustee an Opinion of Counsel to the effect that the conditions for discharge contained herein and in **Section 8.02** have been satisfied, and (iii) provision satisfactory to the Trustee has been made to pay the fees, compensation and expenses of the Trustee, the obligations created by this Indenture shall cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply such moneys and Defeasance Obligations to the payment of the Certificates as herein set forth; provided, however, that all provisions hereof relating to compensation or indemnification of the Trustee shall survive the discharge of this Indenture.

(b) After all amounts owing to the Certificate Owners have been paid hereunder and under the Lease, the Trustee shall turn over to the City any surplus in the Funds other than moneys and Defeasance Obligations held for the payment of the Certificates at maturity or on prepayment, which moneys and Defeasance Obligations shall continue to be held by the Trustee in trust for the benefit of the Certificate Owners and shall be applied by the Trustee to the payment, when due, of the Principal Components and any premium and Interest Components of Base Rentals represented by the Certificates. After such payment, this Indenture shall become void.

Section 8.02. Certificates Deemed to be Paid.

(a) Any Certificate shall be deemed to be paid when (a) payment of the Principal Component of Base Rentals evidenced by such Certificate and premium, if any, thereon and the Interest Component of Base Rentals payable with respect thereto whether such payment is by reason of the stated payment date or upon prepayment as provided herein (or, if an Event of Nonappropriation has occurred, payment of an amount equal to the principal sum stated thereon plus interest on said principal sum at the rate stated therein to the date of payment) either (i) has been made in accordance with the terms thereof (determined assuming the City has appropriated funds to pay all Base Rentals through the final Renewal Term of the Lease or through the Renewal Term in which the Option Price is paid), or (ii) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient

to make such payment and/or (2) Defeasance Obligations, maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Certificate have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Certificate is deemed to be paid hereunder, such Certificate shall no longer be secured by or entitled to the security of this Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

(b) Notwithstanding the foregoing, in the case of Certificates that are to be prepaid, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Certificates as aforesaid until (a) proper notice of prepayment of such Certificates has been given in accordance with **Section 3.05** herein, or (b) if the Certificates are not to be prepaid within the next succeeding 90 days, until irrevocable instructions have been given to the Trustee to give such notice. Thereafter, if moneys or Government Obligations are deposited with and held by the Trustee as hereinabove provided, the Trustee shall within 30 days after such Defeasance Obligations have been deposited with it, give Notice by Mail to the Owners setting forth (i) the stated payment date or Prepayment Date, as the case may be, of the Certificates, (ii) a description of the Defeasance Obligations, if any, held by it, and (iii) that this Indenture has been released in accordance with the provisions of this Section.

(c) In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent public accountant or firm of independent public accountants verifying the sufficiency of the amounts on deposit with the Trustee to provide for payment in full of the Certificates as provided herein. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

ARTICLE IX

THE TRUSTEE

Section 9.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default or Event of Nonappropriation, and after the curing of all Events of Default which may have occurred, perform only such duties as are specifically set forth in this Indenture. The Trustee shall have no implied duties. The permissive right or power to take any action shall not be construed as a duty to take action under any circumstances, and the Trustee shall not be liable except in the event of its negligence or willful misconduct. The Trustee shall, during the existence of any Event of Default or Event of Nonappropriation, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee shall not be obligated to risk its own funds in the administration of the Trust Estate and shall have a first lien against the Trust Estate, prior to any payment of the Interest Component

or Principal Component, for its reasonable costs, fees, expenses and advancements. Notwithstanding any provision herein to the contrary, the Trustee need not take any action under this Indenture which may involve it in any expense or liability until indemnified to its satisfaction for any expense or liability, including liability related to environmental contamination, it reasonably believes it may incur.

(c) The Trustee is not responsible for any recitals contained in this Indenture or in the Certificates, or for the filing or refiling of the Indenture or security agreements (excluding the continuation of Uniform Commercial Code financing statements) in connection therewith, or for the sufficiency of the security for the Certificates.

(d) Unless specifically required by this Indenture, the Trustee shall not be required to give any bond or surety or report to any court despite any statute, custom or rule to the contrary.

(e) The Trustee may execute any of the duties under this Indenture by or through agents, attorneys, trustees or receivers.

(f) The Trustee shall not be required to take notice or be deemed to have notice of any default or other fact or event under this Indenture other than the City's failure to pay Base Rentals required by the Lease, unless the Trustee is specifically notified in writing of the default, fact or event by the City or Owners of Certificates representing not less than 25% of the aggregate Principal Component represented by the Certificates then Outstanding.

(g) The Trustee may consult legal counsel and shall not be liable for any act or omission taken or suffered pursuant to the opinion of such counsel addressed to the Trustee and the City. The fees and expenses of the counsel shall be deemed to be a proper expense of the Trustee.

(h) Unless specifically required by the terms of this Indenture, the Trustee need not take notice of or enforce any other document or relationship, including any contract, settlement, arrangement, plan, assignment, pledge, release, decree or the like, other than the Lease and the Ground Lease, but its duties shall be solely as set out in this Indenture.

(i) The City may remove the Trustee at any time unless an Event of Default or Event of Nonappropriation has occurred and is then continuing. The City shall give the Owners written notice of any such removal. The Trustee may be removed if at any time requested to do so by a Directive of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding if at any time the Trustee ceases to be eligible in accordance with subsection (l) of this Section, or becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee. Thereupon the City shall appoint a successor Trustee by an instrument in writing and shall notify the Owners of such appointment.

(j) The Trustee may at any time resign by giving written notice of such resignation to the City and the Certificate Owners. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing.

(k) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and has accepted appointment within 45 days of giving notice of removal or notice of

resignation as aforesaid, the resigning Trustee or any Certificate Owner (on behalf of himself and all other Certificate Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may, after such notice (if any) as it may deem proper, appoint a successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of the appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof. Thereupon, the successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of the predecessor Trustee, with like effect as if originally named Trustee herein, and the duties and obligations of the predecessor Trustee shall cease. Nevertheless, at the request of the City or the successor Trustee and upon payment of all fees and charges of the predecessor Trustee, the predecessor Trustee shall execute and deliver all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to the successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City shall execute and deliver all instruments as may be reasonably required for more fully and certainly vesting in and confirming to the successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall give Notice by Mail to the Owners of its acceptance.

(l) Any Trustee appointed under this Section in succession to the Trustee shall be a state or national trust company or bank having the powers of a trust company and having its principal corporate trust office in the State, having a combined capital and surplus of at least fifty million dollars ($50,000,000), and shall be subject to supervision and examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee ceases to be eligible in accordance with the provisions of this subsection (l), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(m) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including without limitation liability in connection with environmental contamination, and the cleanup thereof, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(n) The Trustee may elect not to proceed in accordance with the directions of the Owners of the Certificates without incurring any liability to the Certificate 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 Certificate Owners, and the Trustee may rely upon an opinion of counsel addressed to the Trustee in determining whether any action directed by Certificate Owners may result in such liability.

(o) The Trustee may inform the Certificate Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would

materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to this Indenture.

Section 9.02. Merger or Consolidation. Any entity into which the Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it is a party or any entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, provided such company shall be eligible under **Section 9.01** herein to be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9.03. Liability of Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the owner of Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Certificate Owners, whether or not such committee represents the Owners of a majority in principal amount of the Certificates then Outstanding.

Section 9.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, Certificate or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by a statement of the City, and such statement shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such statement. In its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 9.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City and any Certificate Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 9.06. Compensation of the Trustee. The City shall, from time to time, upon the written request of the Trustee, (a) pay to the Trustee reasonable compensation for its services as agreed to by the City and the Trustee and (b) reimburse the Trustee for all reasonable advances, fees, costs and expenditures, including but not limited to, advances to and reasonable fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by it in the exercise and performance of its powers and duties hereunder. Compensation under this Section (except that the initial fee is to be included in Costs of Delivery) is to be paid as Supplemental Rent pursuant to the Lease.

ARTICLE X

MISCELLANEOUS

Section 10.01. Waiver of Personal Liability. All obligations or liabilities under this Indenture on the part of the Trustee are solely corporate liabilities of the Trustee as a corporation. To the extent permitted by law, the City hereby releases each and every director, officer, agent or employee of the Trustee from any personal or individual liability under this Indenture. No director, officer, agent or employee of the Trustee shall at any time or under any circumstances be individually or personally liable under this Indenture for anything done or omitted to be done by the Trustee hereunder.

All obligations or liabilities under this Indenture on the part of the City are solely corporate liabilities of the City as a political subdivision. To the extent permitted by law, the Trustee hereby releases each and every official, member, employee or agent of the City from any personal or individual liability under this Indenture. No official, member, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Indenture for anything done or omitted to be done by the City hereunder.

Section 10.02. Indenture Binding Upon Parties and Successors. This Indenture shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns, subject to the limitations contained herein.

Section 10.03. Survival of Provisions. The obligations of the City with respect to matters arising before the termination of this Indenture (including any indemnification obligations and any obligation to pay additional interest) shall survive the termination of this Indenture.

Section 10.04. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture or the Lease to be given or filed with the Trustee or the City if the same is mailed by registered or certified mail with postage prepaid (except as indicated in (a) below) addressed as follows; provided, however, that Notice to the Trustee shall only be effective upon actual receipt:

(a) To the Owners of the Certificates if the same is mailed by first class mail, postage prepaid, addressed to each of the Owners of Certificates at the time Outstanding at his address as shown by the Register.

(b) If to the City:

City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118
Attention: City Manager

(c) If to the Trustee:

Security Bank of Kansas City
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

A duplicate copy of each notice, certificate or other communication given hereunder to any of the parties mentioned in this Section shall be given to all other parties mentioned in the Section (other than the Owners of the Certificates unless a copy is required to be furnished to them by other provisions of this Indenture). The Trustee or the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent to it.

Section 10.05. Electronic Transactions. The transaction described herein may be conducted and related documents may be 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.

* * *

IN WITNESS WHEREOF, the Trustee has caused this Indenture to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

SECURITY BANK OF KANSAS CITY,
as Trustee

(Seal)

By: _____
Name:
Title:

ATTEST:

_____
Name:
Title:

THE TERMS AND PROVISIONS OF THIS INDENTURE ARE HEREBY CONSENTED AND AGREED TO AND THE CITY OF GLADSTONE, MISSOURI, HEREBY ACCEPTS ALL OBLIGATIONS IMPOSED UPON IT UNDER THIS INDENTURE, ALL AS OF JUNE 1, 2021.

CITY OF GLADSTONE, MISSOURI

By: _____
City Manager

ATTEST:

_____
City Clerk

[Seal]

SCHEDULE 1

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

EXHIBIT A

(FORM OF CERTIFICATE OF PARTICIPATION)

NUMBER
_____ **$_____**

CITY OF GLADSTONE, MISSOURI

CERTIFICATE OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Interest Rate	Stated Payment Date	Certificate Date	CUSIP
_____%	_____, 20__	_____ ___, 2021	_____

Registered Owner: **CEDE & CO.**

Principal Sum: _____ **DOLLARS**

THIS IS TO CERTIFY that the Registered Owner identified above of this Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in a Lease Purchase Agreement dated as of June 1, 2021 (the "Lease"), between **SECURITY BANK OF KANSAS CITY**, Kansas City, Missouri, a national banking association, as lessor (the "Trustee"), and the City of Gladstone, Missouri, as lessee (the "City"), including payments of Base Rentals to be made thereunder (the "Base Rentals"). The City is authorized to enter into the Lease pursuant to applicable laws, including the Constitution and statutes of the State of Missouri. This Certificate is secured by a pledge of the Base Rentals pursuant to an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), by the Trustee and the City.

THE REGISTERED OWNER of this Certificate is entitled to receive, subject to the terms of the Lease and the Indenture, on the Stated Payment Date specified above, or if selected for prepayment, on the prepayment date, the Principal Sum specified above, representing a portion of the Base Rentals designated as principal coming due on the Stated Payment Date, and to receive from the Certificate Date shown above or from the most recent date to which the same has been paid, the Registered Owner's proportionate share of Base Rentals designated as interest semi-annually thereafter on March 1 and September 1 of each year beginning September 1, 2021 (each a "Payment Date") to and including the Stated Payment Date or the prepayment date, whichever is earlier. The proportionate share of the Base Rentals designated as interest is computed on the Principal Sum specified above at the Interest Rate specified above on the basis of a 360-day year of twelve 30-day months.

SAID AMOUNTS are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal and prepayment premium, if any, are payable at the corporate trust office of the Trustee upon the presentation and surrender of this Certificate. The amounts representing interest are payable to the person in whose name this Certificate is registered in the register maintained by the Trustee at the close of

business on the fifteenth day (whether or not a business day) of the month preceding each Payment Date, by check or draft mailed to the Registered Owner at his address as it appears in said register.

NEITHER THE BASE RENTALS NOR ANY OTHER AMOUNTS DUE UNDER THE LEASE CONSTITUTE A DEBT, A GENERAL OBLIGATION OR A LIABILITY OF THE LESSEE WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE LESSEE IS PLEDGED TO THE PAYMENT OF THE BASE RENTALS OR ANY OTHER AMOUNTS DUE UNDER THE LEASE. THE REGISTERED OWNER SHALL NOT HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE LESSEE FOR THE PAYMENT OF THE PRINCIPAL COMPONENT AND INTEREST COMPONENT OF BASE RENTALS UNDER THE LEASE REPRESENTED BY THIS CERTIFICATE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE LEASE.

This Certificate is one of a duly authorized series of certificates of participation designated "City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A" (the "Certificates"), in the aggregate amount of $[Principal Amount], evidencing proportionate interests of the owners thereof in Base Rentals to be made by the City pursuant to the Lease.

This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Indenture. Copies of the Lease and the Indenture are on file at the office of the City and at the payment office of the Trustee. Reference to the Lease and the Indenture and any and all amendments and supplements thereto is made for a description of the pledges and covenants of the City securing the Base Rentals, the nature, extent and manner of enforcement of such pledges and covenants and the rights and the terms and conditions upon which the Certificates are delivered thereunder.

The Indenture permits certain amendments or supplements to the Indenture and the Lease not materially adverse to the security for the Certificate owners to be made without the consent of or notice to the Certificate owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Certificates then outstanding and other amendments or supplements thereto to be made only with the consent of all Certificate owners.

The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032, and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

The Certificates are subject to optional prepayment as a whole or in part at any time upon the occurrence of certain extraordinary events described in the Indenture, at the principal sum represented by the Certificates so prepaid plus accrued interest thereon to the prepayment date, without premium.

The Series 2021A Certificates with a stated maturity of March 1, 2039 are subject to mandatory prepayment as set forth in the Indenture.

If less than all of the outstanding Certificates are prepaid, Certificates shall be prepaid in such order of stated payment dates as shall be determined by the City. Within a maturity, Certificates to be prepaid shall be selected by the Trustee in such equitable manner as the Trustee may determine.

If any of the Certificates are to be prepaid, notice thereof identifying the Certificates to be prepaid will be given by first class mail, postage prepaid, mailed at least 30 days prior to the prepayment date to

each registered owner of Certificates to be prepaid. All Certificates for which notice of prepayment is given will cease to bear interest on the specified prepayment date (provided moneys or certain securities for their prepayment are on deposit at the place of payment at that time), shall cease to be entitled to any benefit or security under the Indenture and shall no longer be deemed to be outstanding under the Indenture.

This Certificate is transferable upon the Certificate register, which shall be kept for that purpose at the corporate trust office of the Trustee, upon surrender and cancellation of this Certificate together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney-in-fact and upon payment of the charges provided in the Indenture. Upon such transfer a new fully registered Certificate or Certificates of the same maturity and aggregate principal amount will be delivered to the transferee. The Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Certificates may be delivered in the form of fully registered Certificates in the denomination of $5,000 or any integral multiple thereof, subject to certain limitations and as otherwise provided in the Indenture. The Certificates, upon surrender thereof at the corporate trust office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered owner or his attorney-in-fact duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Certificates of any authorized denomination of the same maturity. No service charge shall be made for any transfer or exchange of Certificates, but the Trustee may require payment of any tax or governmental charge in connection therewith.

THE TRUSTEE has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners thereof, the various funds and accounts established under the Indenture.

THE LESSEE has certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Missouri, and the Lease to exist, to have happened and to have been performed precedent to the delivery of the Lease, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by an authorized signatory as of the date set forth above.

SECURITY BANK OF KANSAS CITY,
not in its individual capacity but solely as
Trustee under the Indenture

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

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

_____.

Please Print or Type Name Address and
Employee Identification Number or Social Security Number of Transferee

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

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

_____

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

By: _____

Title: _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST
FOR [COSTS OF DELIVERY][COSTS OF THE PROJECT]

Request No. ___ Date: _____

WRITTEN REQUEST FOR DISBURSEMENT FROM
THE CONSTRUCTION FUND

City of Gladstone, Missouri
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

To: SECURITY BANK OF KANSAS CITY
Kansas City, Kansas
Attn: Corporate Trust Department

Pursuant to **Section 4.04** of the Indenture of Trust dated as of June 1, 2021 (the "Indenture"), the undersigned hereby requests payment from the Construction Fund in accordance with this request, and hereby certifies as follows:

1. All terms in this request shall have the meanings specified in the Indenture.

2. The names of the persons, firms or corporations to whom the payments requested hereby are due. The addresses of said persons, firms or corporations, the amounts to be paid and a description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on Attachment I hereto.

3. Said costs have been made or incurred by the City and have been paid by the City, if payment to the City is requested, or, if payment to the City is not requested, are presently due to the persons to whom payment is requested.

4. Said costs are valid [Costs of Delivery][Costs of the Project] under the Indenture and proper charges against the Construction Fund. No part thereof has been, is being or will be made the basis for the withdrawal of any moneys in any previous, pending or subsequent request filed with the Trustee pursuant to the Indenture.

5. There has not been filed with or served upon the City any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the respective amounts stated in said certificate which has not been released or will not be released simultaneously with the payment of such obligation.

6. No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Lease Default.

7. Invoices, statements, vouchers or bills for the amounts requested for all services or materials furnished by contractors, except as to any retainage, related to amounts specified in this certificate are attached hereto.

8. Lien waivers for all services or materials included in amounts requested by previous Disbursement Requests, except as to any retainage, have been furnished to the Trustee or are attached hereto.

CITY OF GLADSTONE, MISSOURI

By: _____
Name:
Title:

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of June 1, 2021 (this **"*Continuing Disclosure Agreement*"**), is made and entered into by and between the **CITY OF GLADSTONE, MISSOURI** (as further defined herein, the ***"City"***), and **SECURITY BANK OF KANSAS CITY**, as dissemination agent (as further defined herein, the ***"Dissemination Agent"***).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the City of $14,840,000 aggregate principal amount of Certificates of Participation (Capital Projects), Series 2021A (the ***"Certificates"***), pursuant to an Indenture of Trust, dated as of June 1, 2021 (the ***"Indenture"***), by and between the City and Security Bank of Kansas City, as trustee (as further defined herein, the ***"Trustee"***).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The City is the only "obligated person" (as defined by the Rule) with responsibility for continuing disclosure.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Continuing Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report submitted by the City pursuant to, and as described in, **Section 2** hereof.

"Beneficial Owner" means any registered owner of any Certificates 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 Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

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

"Certificates" has the meaning set forth in the recitals hereto.

"City" means City of Gladstone, Missouri, a political subdivision of the State of Missouri, and its successors and assigns.

"Dissemination Agent" means Security Bank of Kansas City, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by MSRB, which can be accessed at www.emma.msrb.org or such other location as may be designated in the future by MSRB pursuant to the Rule.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term *Financial Obligation* excludes municipal securities for which a final official statement has been provided to MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

"Indenture" has the meaning set forth in the recitals hereto.

"Material Events" means any of the events listed in **Section 3(a)** hereof.

"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 purchaser, underwriter or placement agent of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"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.

"Trustee" means SECURITY BANK OF KANSAS CITY, 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 the Indenture.

Section 2. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than **210** days after the end of the City's Fiscal Year, commencing with the Fiscal Year ending June 30, 2021, submit to MSRB, through EMMA, the following financial information and operating data (the ***"Annual Report"***):

(1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with the accounting principles described in the notes to the financial statements included as part of the Official Statement. If audited financial statements of the City are not available by the time the Annual Report is required to be filed, the City will file its unaudited financial statements and the Financial and Operating Data (defined below) as its Annual Report, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available; and

(2) Updates as of the end of the Fiscal Year of the financial information and other information contained in ***Appendix A*** of the final Official Statement (the "Financial and Operating Data") in the tables labeled or identified as follows:

SALES TAX INFORMATIONCONCERNING THE CITY –
Sales Tax Collections
PROPERTY TAX INFORMATION CONCERNING THE CITY –
Tax Collection Record

- **Major Property Taxpayers**

(b) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been submitted to MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

(c) Not later than the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall either (1) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a) of this Section, or (2) provide written notice to the Dissemination Agent that the City, has submitted the Annual Report to the MSRB (or will do so prior to the deadline specified in subsection (a) of this Section).

(d) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the City that the City has provided an Annual Report to the MSRB by the date required in subsection (1) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to MSRB in substantially the form of **Exhibit A**, attached hereto and incorporated herein by reference.

(e) The Dissemination Agent shall:

(1) notify the City each year not later than 90 days and again not later than 30 days prior to the date for filing the Annual Report, of the date on which the City's Annual Report must be provided to the Dissemination Agent or submitted to the MSRB;

(2) unless the City has certified in writing that it has submitted the Annual Report to the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (c) of this Section, submit a report with the City, certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was submitted to the MSRB.

Section 3. Reporting of Material Events.

(a) Not later than 10 Business Days after the occurrence of any Material Event, the City, shall give, or cause to be given to MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates (the ***"Material Events"***):

(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 Certificates, or other material events affecting the tax-exempt status of the Certificates;

(7) modifications to rights of bondholders, if material;

(8) optional, contingent or unscheduled bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Certificates, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; or

(14) appointment of a successor trustee or additional trustee or the change of name of the trustee, if material.

(15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties

(b) The Dissemination Agent will, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Presiding Commissioner of the City or his or her designee, or such other person as the City designates in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d) of this Section. If in response to a request under this subsection (b), the City determines that such event would not be material under applicable federal securities laws, the City will so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d) of this Section.

(c) Whenever the City obtains actual knowledge of the occurrence of a Material Event, the City shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d) of this Section.

(d) If the Dissemination Agent receives written instructions from the City to report the occurrence of a Material Event, the Dissemination Agent shall promptly submit a notice of such occurrence with MSRB with a copy to the City. Notwithstanding the foregoing, notice of a Material Event described in subsections (a)(8) of this Section 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 Certificates pursuant to the Order and the Indenture.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the City's obligations under the Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing

Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3(c)** hereof.

Section 5. Dissemination Agent. The City 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 Dissemination 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 City. 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 City pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Security Bank of Kansas City.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) 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 City and the Dissemination Agent with its written opinion that the undertaking of the City 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.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City, 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 City. 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 Material Event under **Section 3(c)** hereof, 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 City 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 Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City, 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 Material Event.

Section 8. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the registered owners of at least **25%** aggregate principal amount of Outstanding Certificates, shall), or any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City 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 Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City 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 City 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, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The City, shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

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 facsimile, receipt confirmed by telephone, 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 set forth below.

To the City:
City of Gladstone, Missouri
7010 N. Holmes St.
Gladstone, MO 64118
Attn: Finance Director

To the Dissemination Agent:
Security Bank of Kansas City, as Dissemination Agent
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

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. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture or the Certificates 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 parties agree that 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

CITY OF GLADSTONE, MISSOURI

By:_____
Name: Scott Wingerson
Title: City Manager

IN WITNESS WHEREOF, the Dissemination Agent has caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

SECURITY BANK OF KANSAS CITY, as Dissemination Agent

By:_____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO SUBMIT ANNUAL REPORT

Name of Issuer:	City of Gladstone, Missouri (the ***"City"***)
Name of Bond Issue:	$14,840,000 aggregate principal amount of Certificates of Participation (Capital Projects), Series 2021A (the ***"Certificates"***)
Name of Obligated Persons:	City
Date of Issuance:	June 24, 2021

NOTICE IS HEREBY GIVEN that the City has not submitted an Annual Report, with respect to the Certificates, as defined in and required by the Continuing Disclosure Agreement, dated as of June 1, 2021, between the City and SECURITY BANK OF KANSAS CITY, as dissemination agent (the ***"Dissemination Agent"***). [The City has informed the Dissemination Agent that the City anticipates that the Annual Report will be submitted by _____.]

Dated: _____ ___, _____.

SECURITY BANK OF KANSAS CITY, as Dissemination Agent on behalf of City of Gladstone, Missouri

cc: City of Gladstone, Missouri

APPENDIX D

FORM OF APPROVING OPINION OF SPECIAL TAX COUNSEL

June 24, 2021

City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118

Robert W. Baird & Co., Inc.
One Harding Road, Suite 207
Red Bank, New Jersey 07701

Security Bank of Kansas City, as Trustee
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101

Re: $14,840,000 Certificates of Participation (Capital Projects), Series 2021A

Ladies and Gentlemen,

We have acted as special tax counsel to the City of Gladstone, Missouri (the ***"City"***), in connection with the above-referenced certificates (the ***"Series 2021A Certificates"***). The Series 2021A Certificates are executed and delivered pursuant to a Indenture of Trust dated as of June 1, 2021 (the ***"Indenture"***), between Security Bank of Kansas City, as trustee (the ***"Trustee"***), and the City and evidence interests of the Owners thereof in Base Rentals to be made by the City under a Lease Purchase Agreement dated as of June 1, 2021 (the ***"Lease"***) between the City and the Trustee, as approved by an ordinance of the City Council of the City adopted on May 24, 2021 (the ***"Ordinance"***). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indenture, unless the context requires otherwise.

We have examined the law and such certified proceedings and other materials as we deem necessary to enable us to render this opinion. As to questions of fact material to this opinion, we have relied upon representations of the City contained in the Ordinance and in other documents and certificates delivered in connection with the execution and delivery of the Series 2021A Certificates, and the certified proceedings and other certifications of the City and others furnished to us, in each case without undertaking to verify the same by independent investigation.

In making our examination of documents and except as provided in Paragraphs 1 and 2 below, we have assumed that the parties to such documents had the power to enter into and perform all obligations thereunder; the due and valid authorization, execution and delivery of such documents; that such documents are valid and binding obligations of the parties thereto and are enforceable against such parties in accordance with their terms; and that the parties to such documents have complied and will comply with their obligations thereunder. We have assumed the genuineness of all signatures on all documents examined by us, the authenticity of all documents submitted to us as originals, and the conformity to authentic originals of all documents submitted to us as copies. In giving this opinion, we have relied upon such certificates with respect to the accuracy of factual matters contained therein, which were not independently established.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that, under existing law:

1. The Ground Lease dated as of June 1, 2021 (the ***"Ground Lease"***) between the City and the Trustee and the Lease and the Indenture have been duly authorized by the City, have been duly executed by the City, and constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms, except that the Lease is enforceable only during each fiscal year for which sufficient funds have been appropriated.

2. The Series 2021A Certificates have been duly authorized, executed and delivered in accordance with the Indenture, are entitled to the benefits and security of the Indenture and evidence interests in the rights to receive Base Rentals under the Lease, which rights are enforceable against the City in accordance with the terms of the Series 2021A Certificates, the Indenture and the Lease.

3. The Interest Component of the Base Rentals paid by the City under the Lease and distributed to the Registered Owners of the Series 2021A Certificates (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the City and the Trustee comply with all requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), that must be satisfied subsequent to the issuance of the Certificates in order that the Interest Components be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with such requirements may cause the Interest Components to be included in gross income for federal and Missouri income tax purposes retroactive to the date of the issuance of the Certificates. The Certificates have not been designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

4. We express no opinion regarding (a) any federal or Missouri tax consequences, including whether such income is exempt from the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended, arising with respect to the Base Rentals or the Series 2021A Certificates except as set forth in Paragraph 3 above, (b) the treatment for federal or Missouri income tax purposes of any money received by Registered Owners of the Certificates subsequent to termination of the Lease by reason of an Event of Nonappropriation or an Event of Default, or (c) the title to or the description of the property subject to the Ground Lease or the Lease.

It is to be understood that the rights of the owners of the Series 2021A Certificates and the enforceability thereof and of the Ground Lease and the Lease may be limited by bankruptcy, insolvency,

reorganization, receivership, moratorium and other similar laws relating to or affecting creditors' rights and by equitable principles, whether considered at law or in equity, and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

The foregoing opinions are also subject to the following assumptions, exceptions and qualifications:

A. We express no opinion with respect to (i) waivers of any constitutional, statutory or common law rights, (ii) ownership of or title to or description of any property, (iii) the creation, attachment, perfection or priority of any lien, pledge, mortgage or security interest, (iv) any law, rule or regulation relating to securities, tax (except as set forth in paragraph 3 hereof), environmental, antitrust, maritime, hazardous materials, pensions or employee benefits, health or safety, (v) provisions relating to submission to jurisdiction or agreeing to venue of a court, (vi) the enforceability of any agreement to arbitrate or any liquidated damages provisions, (vii) local laws, rules and regulations, including building codes, zoning or restrictive covenants, or (viii) patent, copyright, service mark, trade name or trademark rights. Insofar as the foregoing opinions relate to the validity and enforceability of any provision which is expressed to be governed by the laws of any jurisdiction other than the State, we have assumed that such provisions are legal, valid and binding under such laws (as to which we express no opinion).

B. Further, the opinions in this letter do not include any opinion as to the enforceability of (i) any waiver of jury trial, (ii) any choice of law provision, (iii) any limitation on the availability of a remedy under certain circumstances where another remedy has been elected, (iv) any limitation on the right of a creditor to use force or cause a breach of the peace in enforcing rights, (v) the sale or disposition of collateral which may not be commercially reasonable, (vi) any provisions which release, exculpate or exempt a party from, or require indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, (vii) any rights to indemnification or contribution insofar as such rights may be limited or otherwise affected by limitations based on statutes, case law or public policy, or (viii) any severability provision.

C. The opinions in this letter regarding the enforceability of any document or obligation are subject to (i) bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance, receivership, preferential transfer, liquidation and similar laws relating to or affecting rights and remedies of creditors generally, (ii) principles of equity, including, without limitation, applicable law relating to fiduciary duties and equitable remedies, including specific performance and injunctive relief (regardless of whether such enforceability is considered or applied in a proceeding in equity or at law), (iii) standards of good faith, fair dealing, course of dealing, course of performance, materiality and reasonableness that may be applied by a court, considerations of public policy and the exercise of judicial discretion, and (iv) federal or state securities laws and public policy considerations relating to indemnification or contribution. Furthermore, we express no opinion as to the enforceability of (i) any covenants or warranties regarding the exercise of rights without appropriate notice and hearing, (ii) any non-judicial sales rights other than the power of sale, (iii) any provision purporting to waive broadly or vaguely stated rights, unknown future defenses, rights to damages, or the benefits of other statutory, regulatory or constitutional rights that cannot be waived or, if they can be waived, cannot be waived prospectively or (iv) provisions that purport to waive any statute of limitations that may be applicable to the rights of any party under any document or that otherwise directly or indirectly purport to limit or tend to limit the time in which any judicial or administrative proceeding may be instituted.

D. No opinion is given or expressed, nor should any opinion be inferred or implied, as to (i) the financial ability of the City under or pursuant to the Series 2021A Certificates to meet or satisfy its obligations thereunder, and (ii) the compliance by the City or any other person or entity with applicable federal and state securities laws and/or regulations in connection with the transactions evidenced by the Series 2021A Certificates.

Except as set forth in our supplemental opinion, we have not been engaged or undertaken to review the accuracy, adequacy, completeness, or sufficiency of the Official Statement or other offering material relating to the Series 2021A Certificates (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto.

The opinions expressed herein are limited to the federal law of the United States of America and the laws of Missouri, and we express no opinion as to the laws of any other state or jurisdiction, including any local or municipal laws. In rendering our opinion, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

We call to your attention the fact that our legal opinions are an expression of professional judgment and not a guarantee of result. Further, the opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms, and provisions and facts as of such date. By rendering this opinion, we do not undertake, and hereby disclaim any obligation, to update this opinion letter after such date or to advise you of any changes in law or fact stated or assumed herein that may occur or come to our attention after the date hereof.

This Opinion is furnished only to you and is solely for your use and benefit in connection with the transactions described herein. Without our prior written consent, this opinion may not be used, quoted or otherwise referred to for any other purpose or relied upon by, or assigned to, any other person for any purpose, including any other person that seeks to assert your rights in respect of this Opinion.

Very truly yours,

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE (DESCRIBED HEREIN), THIS GLOBAL CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (DESCRIBED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

NUMBER R- **$**

CITY OF GLADSTONE, MISSOURI

CERTIFICATE OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

Interest Rate	Stated Payment Date	Certificate Date	CUSIP
%	March 1, 20	June 24, 2021	376609

Registered Owner: CEDE & CO.
Principal Sum: DOLLARS

THIS IS TO CERTIFY that the Registered Owner identified above of this Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in a Lease Purchase Agreement dated as of June 1, 2021 (the "Lease"), between **SECURITY BANK OF KANSAS CITY**, Kansas City, Missouri, a national banking association, as lessor (the "Trustee"), and the City of Gladstone, Missouri, as lessee (the "City"), including payments of Base Rentals to be made thereunder (the "Base Rentals"). The City is authorized to enter into the Lease pursuant to applicable laws, including the Constitution and statutes of the State of Missouri. This Certificate is secured by a pledge of the Base Rentals pursuant to an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), by the Trustee and the City.

THE REGISTERED OWNER of this Certificate is entitled to receive, subject to the terms of the Lease and the Indenture, on the Stated Payment Date specified above, or if selected for prepayment, on the prepayment date, the Principal Sum specified above, representing a portion of the Base Rentals designated as principal coming due on the Stated Payment Date, and to receive from the Certificate Date shown above or from the most recent date to which the same has been paid, the Registered Owner's proportionate share of Base Rentals designated as interest semi-annually thereafter on March 1 and September 1 of each year beginning September 1, 2021 (each a "Payment Date") to and including the Stated Payment Date or the prepayment date, whichever is earlier. The proportionate share of the Base Rentals designated as interest is computed on the Principal Sum specified above at the Interest Rate specified above on the basis of a 360-day year of twelve 30-day months.

SAID AMOUNTS are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal and prepayment premium, if any, are payable at the corporate trust office of the Trustee upon the presentation and surrender of this Certificate. The amounts representing interest are payable to the person in whose name this Certificate is registered in the register maintained by the Trustee at the close of business on the fifteenth day (whether or not a business day) of the month preceding each Payment Date, by check or draft mailed to the Registered Owner at his address as it appears in said register.

SPECIMEN

NEITHER THE BASE RENTALS NOR ANY OTHER AMOUNTS DUE UNDER THE LEASE CONSTITUTE A DEBT, A GENERAL OBLIGATION OR A LIABILITY OF THE LESSEE WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE LESSEE IS PLEDGED TO THE PAYMENT OF THE BASE RENTALS OR ANY OTHER AMOUNTS DUE UNDER THE LEASE. THE REGISTERED OWNER SHALL NOT HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE LESSEE FOR THE PAYMENT OF THE PRINCIPAL COMPONENT AND INTEREST COMPONENT OF BASE RENTALS UNDER THE LEASE REPRESENTED BY THIS CERTIFICATE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE LEASE.

This Certificate is one of a duly authorized series of certificates of participation designated "City of Gladstone, Missouri Certificates of Participation (Capital Projects), Series 2021A" (the "Certificates"), in the aggregate amount of $14,840,000, evidencing proportionate interests of the owners thereof in Base Rentals to be made by the City pursuant to the Lease.

This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Indenture. Copies of the Lease and the Indenture are on file at the office of the City and at the payment office of the Trustee. Reference to the Lease and the Indenture and any and all amendments and supplements thereto is made for a description of the pledges and covenants of the City securing the Base Rentals, the nature, extent and manner of enforcement of such pledges and covenants and the rights and the terms and conditions upon which the Certificates are delivered thereunder.

The Indenture permits certain amendments or supplements to the Indenture and the Lease not materially adverse to the security for the Certificate owners to be made without the consent of or notice to the Certificate owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Certificates then outstanding and other amendments or supplements thereto to be made only with the consent of all Certificate owners.

The Series 2021A Certificates or portions thereof with stated payment dates of March 1, 2032, and thereafter are subject to prepayment on March 1, 2031 and thereafter in whole or in part at any time at a prepayment price equal to 100% of the principal component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date.

The Certificates are subject to optional prepayment as a whole or in part at any time upon the occurrence of certain extraordinary events described in the Indenture, at the principal sum represented by the Certificates so prepaid plus accrued interest thereon to the prepayment date, without premium.

The Series 2021A Certificates with a stated maturity of March 1, 2039 are subject to mandatory prepayment as set forth in the Indenture.

If less than all of the outstanding Certificates are prepaid, Certificates shall be prepaid in such order of stated payment dates as shall be determined by the City. Within a maturity, Certificates to be prepaid shall be selected by the Trustee in such equitable manner as the Trustee may determine.

If any of the Certificates are to be prepaid, notice thereof identifying the Certificates to be prepaid will be given by first class mail, postage prepaid, mailed at least 30 days prior to the prepayment date to each registered owner of Certificates to be prepaid. All Certificates for which notice of prepayment is given

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will cease to bear interest on the specified prepayment date (provided moneys or certain securities for their prepayment are on deposit at the place of payment at that time), shall cease to be entitled to any benefit or security under the Indenture and shall no longer be deemed to be outstanding under the Indenture.

This Certificate is transferable upon the Certificate register, which shall be kept for that purpose at the corporate trust office of the Trustee, upon surrender and cancellation of this Certificate together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney-in-fact and upon payment of the charges provided in the Indenture. Upon such transfer a new fully registered Certificate or Certificates of the same maturity and aggregate principal amount will be delivered to the transferee. The Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Certificates are being issued by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Indenture. One Certificate, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or that of the Trustee as the Depository's "FAST" Agent. The book-entry system will evidence positions held in the Certificates by the Securities Depository's Participants, beneficial ownership of the Certificates in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants. The Trustee and the County will recognize the Securities Depository nominee, while the Registered Owner of this Certificate, as the owner of this Certificate for all purposes, including (i) payments of principal and interest components represented by this Certificate, (ii) notices and (iii) voting. Transfers of principal and interest components to Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The Trustee and the County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the Registered Owner of this Certificate, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Certificate shall be made in accordance with existing arrangements among the Securities Depository, the Trustee and the County.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

The Certificates may be delivered in the form of fully registered Certificates in the denomination of $5,000 or any integral multiple thereof, subject to certain limitations and as otherwise provided in the Indenture. The Certificates, upon surrender thereof at the corporate trust office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered owner or his attorney-in-fact duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Certificates of any authorized denomination of the same maturity. No service charge shall be made for any transfer or exchange of Certificates, but the Trustee may require payment of any tax or governmental charge in connection therewith.

THE TRUSTEE has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners thereof, the various funds and accounts established under the Indenture.

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THE LESSEE has certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Missouri, and the Lease to exist, to have happened and to have been performed precedent to the delivery of the Lease, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by an authorized signatory as of the date set forth above.

SECURITY BANK OF KANSAS CITY,
not in its individual capacity but solely as
Trustee under the Indenture

By: _____
Authorized Signatory

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[FORM OF ASSIGNMENT]

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

_____.

Please Print or Type Name Address and
Employee Identification Number or Social Security Number of Transferee

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

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

_____

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

By: _____

Title: _____

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CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of June 1, 2021 (this **"*Continuing Disclosure Agreement*"**), is made and entered into by and between the **CITY OF GLADSTONE, MISSOURI** (as further defined herein, the ***"City"***), and **SECURITY BANK OF KANSAS CITY**, as dissemination agent (as further defined herein, the ***"Dissemination Agent"***).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the City of $14,840,000 aggregate principal amount of Certificates of Participation (Capital Projects), Series 2021A (the ***"Certificates"***), pursuant to an Indenture of Trust, dated as of June 1, 2021 (the ***"Indenture"***), by and between the City and Security Bank of Kansas City, as trustee (as further defined herein, the ***"Trustee"***).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The City is the only "obligated person" (as defined by the Rule) with responsibility for continuing disclosure.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Continuing Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report submitted by the City pursuant to, and as described in, **Section 2** hereof.

"Beneficial Owner" means any registered owner of any Certificates 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 Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

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

"Certificates" has the meaning set forth in the recitals hereto.

"City" means City of Gladstone, Missouri, a political subdivision of the State of Missouri, and its successors and assigns.

"Dissemination Agent" means Security Bank of Kansas City, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by MSRB, which can be accessed at www.emma.msrb.org or such other location as may be designated in the future by MSRB pursuant to the Rule.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term *Financial Obligation* excludes municipal securities for which a final official statement has been provided to MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

"Indenture" has the meaning set forth in the recitals hereto.

"Material Events" means any of the events listed in **Section 3(a)** hereof.

"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 purchaser, underwriter or placement agent of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"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.

"Trustee" means SECURITY BANK OF KANSAS CITY, 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 the Indenture.

Section 2. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than **210** days after the end of the City's Fiscal Year, commencing with the Fiscal Year ending June 30, 2021, submit to MSRB, through EMMA, the following financial information and operating data (the ***"Annual Report"***):

(1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with the accounting principles described in the notes to the financial statements included as part of the Official Statement. If audited financial statements of the City are not available by the time the Annual Report is required to be filed, the City will file its unaudited financial statements and the Financial and Operating Data (defined below) as its Annual Report, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available; and

(2) Updates as of the end of the Fiscal Year of the financial information and other information contained in ***Appendix A*** of the final Official Statement (the "Financial and Operating Data") in the tables labeled or identified as follows:

SALES TAX INFORMATIONCONCERNING THE CITY –
Sales Tax Collections
PROPERTY TAX INFORMATION CONCERNING THE CITY –
Tax Collection Record

- **Major Property Taxpayers**

(b) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been submitted to MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

(c) Not later than the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall either (1) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a) of this Section, or (2) provide written notice to the Dissemination Agent that the City, has submitted the Annual Report to the MSRB (or will do so prior to the deadline specified in subsection (a) of this Section).

(d) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the City that the City has provided an Annual Report to the MSRB by the date required in subsection (1) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to MSRB in substantially the form of **Exhibit A**, attached hereto and incorporated herein by reference.

(e) The Dissemination Agent shall:

(1) notify the City each year not later than 90 days and again not later than 30 days prior to the date for filing the Annual Report, of the date on which the City's Annual Report must be provided to the Dissemination Agent or submitted to the MSRB;

(2) unless the City has certified in writing that it has submitted the Annual Report to the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (c) of this Section, submit a report with the City, certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was submitted to the MSRB.

Section 3. Reporting of Material Events.

(a) Not later than 10 Business Days after the occurrence of any Material Event, the City, shall give, or cause to be given to MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates (the ***"Material Events"***):

(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 Certificates, or other material events affecting the tax-exempt status of the Certificates;

(7) modifications to rights of bondholders, if material;

(8) optional, contingent or unscheduled bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Certificates, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; or

(14) appointment of a successor trustee or additional trustee or the change of name of the trustee, if material.

(15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties

(b) The Dissemination Agent will, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Presiding Commissioner of the City or his or her designee, or such other person as the City designates in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d) of this Section. If in response to a request under this subsection (b), the City determines that such event would not be material under applicable federal securities laws, the City will so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d) of this Section.

(c) Whenever the City obtains actual knowledge of the occurrence of a Material Event, the City shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d) of this Section.

(d) If the Dissemination Agent receives written instructions from the City to report the occurrence of a Material Event, the Dissemination Agent shall promptly submit a notice of such occurrence with MSRB with a copy to the City. Notwithstanding the foregoing, notice of a Material Event described in subsections (a)(8) of this Section 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 Certificates pursuant to the Order and the Indenture.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the City's obligations under the Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing

Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3(c)** hereof.

Section 5. Dissemination Agent. The City 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 Dissemination 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 City. 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 City pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Security Bank of Kansas City.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) 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 City and the Dissemination Agent with its written opinion that the undertaking of the City 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.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City, 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 City. 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 Material Event under **Section 3(c)** hereof, 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 City 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 Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City, 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 Material Event.

Section 8. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the registered owners of at least **25%** aggregate principal amount of Outstanding Certificates, shall), or any Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City 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 Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City 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 City 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, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The City, shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

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 facsimile, receipt confirmed by telephone, 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 set forth below.

To the City: City of Gladstone, Missouri
7010 N. Holmes St.
Gladstone, MO 64118
Attn: Finance Director

To the Dissemination Agent: Security Bank of Kansas City, as Dissemination Agent
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101
Attn: Corporate Trust Department

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. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture or the Certificates 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 parties agree that 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

CITY OF GLADSTONE, MISSOURI

By: _____
Name: Scott Wingerson
Title: City Manager

IN WITNESS WHEREOF, the Dissemination Agent has caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

SECURITY BANK OF KANSAS CITY, as Dissemination Agent

By: Erica L. Lemon

Title: Erica Lemon
Vice President

EXHIBIT A

NOTICE OF FAILURE TO SUBMIT ANNUAL REPORT

Name of Issuer: City of Gladstone, Missouri (the ***"City"***)

Name of Bond Issue: $14,840,000 aggregate principal amount of Certificates of Participation (Capital Projects), Series 2021A (the ***"Certificates"***)

Name of Obligated Persons: City

Date of Issuance: June 24, 2021

NOTICE IS HEREBY GIVEN that the City has not submitted an Annual Report, with respect to the Certificates, as defined in and required by the Continuing Disclosure Agreement, dated as of June 1, 2021, between the City and SECURITY BANK OF KANSAS CITY, as dissemination agent (the ***"Dissemination Agent"***). [The City has informed the Dissemination Agent that the City anticipates that the Annual Report will be submitted by _____.]

Dated: _____ ___, _____.

SECURITY BANK OF KANSAS CITY, as Dissemination Agent on behalf of City of Gladstone, Missouri

cc: City of Gladstone, Missouri

NOTICE OF SALE

$15,430,000*
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

(BOOK ENTRY ONLY)

Bids for the above-referenced obligations (the "Series 2021A Certificates") will be received by the City of Gladstone, Missouri (the "City") on June 10, 2021, (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time proposals will be opened and tabulated. Consideration for award of the Series 2021A Certificates will take place subsequent to the opening of bids.

SUBMISSION OF BIDS

Baker Tilly MA will assume no liability for the inability of a bidder or its bid to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2021A Certificates regardless of the manner by which the bid is submitted.

(a) ***Sealed bidding.*** Completed, signed bids may be submitted to Baker Tilly MA by email to bondservice@bakertilly.com or by fax (651) 223-3046, and must be received prior to the Sale Time.

OR

(b) ***Electronic bidding.*** Bids may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Notice of Sale*. Neither the City, its agents nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2021A Certificates, and PARITY® is not an agent of the City.

If any provisions of this Notice of Sale conflict with information provided by PARITY®, this Notice of Sale shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* *Preliminary; subject to change.*

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2021 Baker Tilly Municipal Advisors, LLC.

DETAILS OF THE SERIES 2021A CERTIFICATES

The Series 2021A Certificates will be dated as of the date of delivery and will bear interest payable on March 1 and September 1 of each year, commencing September 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2021A Certificates will mature March 1 in the years and amounts* as follows:

2022	$600,000
2023	$495,000
2024	$510,000
2025	$525,000
2026	$545,000
2027	$560,000
2028	$575,000
2029	$595,000
2030	$610,000
2031	$630,000
2032	$650,000
2033	$670,000
2034	$690,000
2035	$710,000
2036	$725,000
2037	$735,000
2038	$750,000
2039	$765,000
2040	$785,000
2041	$800,000
2042	$815,000
2043	$835,000
2044	$855,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2021A Certificates or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Series 2021A Certificates as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the bid indicates the securities are initially offered to the investing public. The successful bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Series 2021A Certificates or principal of any maturity as described herein. If there is an increase or decrease in the final aggregate principal amount of the Series 2021A Certificates or the schedule of principal payments as described above, the City will notify the successful bidder by means of telephone and subsequently confirmed in writing, or email transmission, no later than 2:00 P.M., Central Time, on the sale date. The actual purchase price for the Series 2021A Certificates shall be calculated by applying the percentage of par value bid by the successful bidder against the final aggregate principal amount of the Series 2021A Certificates, as adjusted.*

Bids for the Series 2021A Certificates may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption and must conform to the maturity schedule set forth above. In order to designate term bonds, the bid must specify "Years of Term Maturities" in the spaces provided on the bid form.

BOOK ENTRY SYSTEM

The Series 2021A Certificates will be issued by means of a book entry system with no physical distribution of Series 2021A Certificates made to the public. The Series 2021A Certificates will be issued in fully registered form and one Series 2021A Certificate, representing the aggregate principal amount of the Series 2021A Certificates maturing in each year, will be registered in the name of Cede

& Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2021A Certificates. Individual purchases of the Series 2021A Certificates may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2021A Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2021A Certificates, will be required to deposit the Series 2021A Certificates with DTC.

PAYING AGENT AND REGISTRAR

Security Bank of Kansas City, Kansas City, Kansas will serve as trustee, paying agent and registrar for the Series 2021A Certificates and the City will pay for the services of the trustee, paying agent and registrar.

OPTIONAL REDEMPTION

At the option of the City, the Series 2021A Certificates may be called for redemption and payment prior to maturity on March 1, 2031 and thereafter, in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Series 2021A Certificates shall be redeemed only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the outstanding Series 2021A Certificates are to be redeemed, such Series 2021A Certificates shall be redeemed from the stated maturities selected by the City, and Series 2021A Certificates of less than a full stated maturity shall be selected by the Paying Agent in $5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

EXTRAORDINARY REDEMPTION

The Series 2021A Certificates are also subject to redemption at the option of the City in the case of certain extraordinary events as described in the Preliminary Official Statement.

SECURITY AND PURPOSE

Each Series 2021A Certificate evidences the undivided interest of the Owner thereof in the right to receive Base Rentals to be made by the City under the Lease Purchase Agreement between the Trustee and the City dated June 1, 2021 (the "Lease"). The Series 2021A Certificates are payable solely out of the Base Rentals and other money and investments held by the Trustee under the Indenture of Trust between the Trustee and the City dated June 1, 2021 (the "Indenture").

Simultaneously with the delivery of the Series 2021A Certificates, pursuant to a Ground Lease dated as of June 1, 2021 (the "Ground Lease"), the City will lease to the Trustee certain real estate (the "Site") together with all improvements now or to be situated thereon (the Site and the improvements located thereon being collectively the "Leased Property"). The Ground Lease is for a term ending June 30, 2064. The Leased Property is the site of the City's existing City Hall and, assuming completion of construction, the new Public Safety Headquarters. The Trustee, as lessor under the Lease, will lease the Leased Property to the City for an initial term ending June 30, 2021, with successive one-year renewal options (the "Renewal Terms"), with a final Renewal Term ending March 1, 2044. Each Renewal Term is subject to annual appropriation by the City Council.

The City's obligation to make Base Rentals and other payments under the Lease is subject to annual appropriation by the City and will not constitute a debt or liability of the City, the State of Missouri or any political subdivision thereof, or an indebtedness within the meaning of any constitutional or statutory debt

limitation or restriction. The execution and delivery of the Lease and the Series 2021A Certificates will not obligate the City to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Under the terms of the Lease, if the City elects to renew the Lease at the end of the initial term or any renewal term, it is obligated to budget, appropriate and set aside a portion of its revenues derived from user fees and other sources, which appropriation must be sufficient to make the Base Rentals coming due during the ensuing fiscal year. The City is obligated to make Base Rentals to the Trustee on the 15th of each month preceding each Payment Date, which payments will be distributable as principal and interest with respect to the Certificates (but only if the City elects to renew the Lease for each Renewal Term).

There can be no assurance that the City will appropriate funds for Base Rentals or renew the Lease after the initial term. The City is not legally required to budget or appropriate money for any subsequent fiscal year beyond the current fiscal year.

If an Event of Default or Event of Nonappropriation occurs under the Indenture or the Lease, the Trustee has the right to possession of the Leased Property (including that portion of the Project and all other improvements now or to be situated on the Leased Property) for the remainder of the term of the Ground Lease, and has the right to assign or sublease its interest in the Ground Lease upon such terms as it deems prudent. The proceeds from such assignment or sublease are required to be paid to the Trustee and applied in accordance with the Indenture. **Owners of the Certificates are cautioned, however, that the nature of the Leased Property may impair the Trustee's ability to assign or sublease it upon the occurrence of an Event of Default or Event of Nonappropriation or to obtain an amount therefor that would be sufficient to pay the principal and interest distributable with respect to all Certificates then outstanding.**

Capitalized terms used in this section and not otherwise defined have the meaning set forth in the Lease and the Indenture.

TAX EXEMPTION OF INTEREST

The interest on the Series 2021A Certificates is excludable from gross income for federal and Missouri income tax purposes. The Series 2021A Certificates have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Bids shall be for not less than $15,430,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2021A Certificates. No bid can be withdrawn or amended after the time set for receiving bids on the Sale Date. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater. Series 2021A Certificates of the same maturity shall bear a single rate from the date of the Series 2021A Certificates to the date of maturity. No conditional bids will be accepted.

GOOD FAITH DEPOSIT

To have its bid considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of $154,300 (the "Deposit") no later than 2:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the bid of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of bids. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and

(iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted bid, said amount will be retained by the City.

AWARD

The Series 2021A Certificates will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Series 2021A Certificates, (ii) reject all bids without cause, and (iii) reject any bid that the City determines to have failed to comply with the terms herein.

The Purchaser will be required to execute a standard "issue price" certificate at closing.

BOND INSURANCE AT PURCHASER'S OPTION

The City has not applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Series 2021A Certificates. If the Series 2021A Certificates qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's Official Bid Form. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Series 2021A Certificates shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2021A Certificates.

RATING

A rating has been requested from S&P Global Ratings for the Series 2021A Certificates. The rating is subject to withdrawal or modification at any time; withdrawal or modification of the rating may have an adverse effect on the marketability of the Series 2021A Certificates. For an explanation of the significance of the rating, an investor should communicate with the rating agency.

CUSIP NUMBERS

If the Series 2021A Certificates qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2021A Certificates; however, neither the failure to print such numbers on any Series 2021A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2021A Certificates. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G- 34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about June 24, 2021, the Series 2021A Certificates will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Armstrong Teasdale LLP, Kansas City, Missouri and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2021A Certificates shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2021A Certificates has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In order to permit prospective bidders for the Series 2021A Certificates and other participating underwriters in the primary offering of the Series 2021A Certificates to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Series 2021A Certificates, in a Continuing Disclosure Undertaking, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as described in the Official Statement. The information to be provided on an annual basis, the events as to which notice is to be given, and other provisions of the Continuing Disclosure Undertaking, including termination, amendment and remedies, are summarized in the Official Statement.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2021A Certificates and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement and the Official bid form or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bondservice@bakertilly.com. The Preliminary Official Statement will also be made available at https://go.bakertilly.com/bond-sales-calendar.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts and interest rates of the Series 2021A Certificates, together with any other information required by law. By awarding the Series 2021A Certificates to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. Such Underwriter agrees that if its bid is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated: May 25, 2021

BY ORDER OF THE CITY OF GLADSTONE, MISSOURI

/s/ Scott Wingerson
City Manager

City of Gladstone, Missouri

$15,430,000* Certificates of Participation (Capital Projects), Series 2021A

For the Series 2021A Certificates of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_____(which may not be less than $_____) plus accrued interest, if any, to the date of delivery.

Year	Interest Rate (%)	Yield (%)	Dollar Price (%)
2022	_____%	_____%	_____%
2023	_____%	_____%	_____%
2024	_____%	_____%	_____%
2025	_____%	_____%	_____%
2026	_____%	_____%	_____%
2027	_____%	_____%	_____%
2028	_____%	_____%	_____%
2029	_____%	_____%	_____%
2030	_____%	_____%	_____%
2031	_____%	_____%	_____%
2032	_____%	_____%	_____%
2033	_____%	_____%	_____%
2034	_____%	_____%	_____%
2035	_____%	_____%	_____%
2036	_____%	_____%	_____%
2037	_____%	_____%	_____%
2038	_____%	_____%	_____%
2039	_____%	_____%	_____%
2040	_____%	_____%	_____%
2041	_____%	_____%	_____%
2042	_____%	_____%	_____%
2043	_____%	_____%	_____%
2044	_____%	_____%	_____%

Designation of Term Maturities

Years of Term Maturities _____ _____

_____ _____

In making this offer on the sale date of June 10, 2021 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated May 25, 2021 including the City's right to modify the principal amount of the Series 2021A Certificates. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2021A Certificates in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2021A Certificates.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $_____

TRUE INTEREST RATE: _____%

The Bidder ____ will not ____ will purchase municipal bond insurance from _____.

Account Members

_____
Account Manager

By: _____

Phone: _____

.....

The foregoing proposal has been accepted by the City.

Attest: _____ Date: _____

.....

* *Preliminary; subject to change.*

Phone: 651-223-3000
Email: bondservice@bakertilly.com

Bill # 21-18 ORD 4.556

PARITY

Robert W. Baird & Co., Inc. - Red Bank, NJ's Bid
City of Gladstone, Missouri
~~$15,430,000~~ $14,840,000 Certificates of Participation
(Capital Projects) Series 2021A

For the aggregate principal amount of ~~$15,430,000.00~~ $14,840,000.00, we will pay you ~~$16,700,057.45~~ $16,057,292.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Yield %	Dollar Price
03/01/2022	~~600M~~ 545M	5.0000	0.1500	103.324
03/01/2023	~~495M~~ 425M	5.0000	0.2000	108.075
03/01/2024	~~510M~~ 475M	5.0000	0.2500	112.708
03/01/2025	~~525M~~ 490M	5.0000	0.3500	117.015
03/01/2026	~~545M~~ 510M	5.0000	0.5000	120.815
03/01/2027	~~560M~~ 520M	5.0000	0.6000	124.559
03/01/2028	~~575M~~ 535M	5.0000	0.7500	127.663
03/01/2029	~~595M~~ 565M	5.0000	0.9000	130.380
03/01/2030	~~610M~~ 590M	5.0000	1.0000	133.197
03/01/2031	~~630M~~ 620M	5.0000	1.1000	135.738
03/01/2032	650M	3.0000	1.2000	116.412
03/01/2033	670M	3.0000	1.2500	115.916
03/01/2034	~~690M~~ 725M	2.0000	1.6000	103.575
03/01/2035	~~710M~~ 725M	2.0000	1.7000	102.667
03/01/2036	~~725M~~ 730M	2.0000	1.8000	101.769
03/01/2037	~~735M~~ 745M	2.0000	1.8500	101.323
03/01/2038				
03/01/2039	~~1,515M~~ 1,530M	2.0000	2.0000	100.000
03/01/2040	~~785M~~ 730M	2.0000	2.0500	99.225
03/01/2041	~~800M~~ 745M	2.0000	2.1000	98.393
03/01/2042	~~815M~~ 760M	2.1250	2.1500	99.582
03/01/2043	~~835M~~ 770M	2.1250	2.1800	99.052
03/01/2044	~~855M~~ 785M	2.1250	2.2000	98.664

Total Interest Cost:	~~$5,046,088.11~~	$4,861,756.96
Premium:	~~$1,270,057.45~~	$1,217,292.00
Net Interest Cost:	~~$3,776,030.66~~	$3,644,464.96
TIC:	~~1.859801~~	1.858082%
Total Insurance Premium:		$0.00

Time Last Bid Received On: 06/10/2021 9:24:59 CDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Robert W. Baird & Co., Inc., Red Bank, NJ
Contact: Charles Massaro
Title: Director
Telephone: 732-576-4410
Fax: 732-576-4420

Issuer Name:	City of Gladstone, MO	Company Name:	Robert W. Baird & Co. Inc.
Accepted By:		Accepted By:	
Date:	June 10, 2021	Date:	June 10, 2021

MINUTES
REGULAR CITY COUNCIL MEETING
GLADSTONE, MISSOURI
MONDAY, MAY 24, 2021

PRESENT: Mayor R.D. Mallams
Mayor Pro Tem Bill Garnos
Councilmember Jean Moore
Councilman Tom Frisby
Councilmember Tina Spallo

City Manager Scott Wingerson
City Clerk Ruth Bocchino
City Attorney Chris Williams

ABSENT: Assistant City Manager Bob Baer

Item No. 1. On the Agenda. Meeting Called to Order.

Mayor Mallams opened the Regular City Council Meeting Monday, May 24, 2021, at 7:30 pm.

Item No. 2. On the Agenda. ROLL CALL.

City Clerk Ruth Bocchino called Roll. All Councilmembers were present.

Item No. 3. On the Agenda. Pledge of Allegiance to the Flag of the United States of America.

Mayor Mallams asked all to join in the Pledge of Allegiance to the Flag of the United States of America and thanked VFW Post 10906 for presenting the Colors: Carla Gleaton, Jim Cox, James Zimmerman and Stan Stoner.

Item No. 4. On the Agenda. Approval of Agenda.

The agenda was approved as published.

Item No. 5. On the Agenda. Approval of the May 10, 2021, Closed City Council Meeting Minutes.

Mayor Pro Tem Garnos moved to approve the minutes of the May 10, 2021, Closed City Council meeting as presented. **Councilmember Spallo** seconded. The Vote: "aye",

Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Item No. 6. On the Agenda. Approval of the May 10, 2021, Regular City Council Meeting Minutes.

Mayor Pro Tem Garnos moved to approve the minutes of the May 10, 2021, Regular City Council meeting as presented. **Councilmember Spallo** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Item No. 7. On the Agenda. CONSENT AGENDA.

Following the Clerk's reading:

Councilmember Moore moved to approve the Consent Agenda as published. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-27** A Resolution authorizing the City Manager to execute a contract with Fidelity Payment Services (Cardknox) for the purpose of credit card processing **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-28** A Resolution authorizing the City Manager to execute a contract with Metro Asphalt Incorporated, in the total amount not to exceed $829,693.70 for the 2021 Mill and Overlay Program Project TP2206. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-29** A Resolution authorizing the City Manager to execute a contract with Vance Brothers, Incorporated, in the total amount not to exceed $233,788.20 for the 2021 Intermediate Maintenance Project TP2203. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Councilmember Moore moved to approve the Special Event Permit, Birthday gathering, 7600 N. Troost Avenue, Oak Grove Park, Sunday, May 30, 2021, 5:00-9:00 pm. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Councilmember Moore moved to approve the **FINANCIAL REPORT MONTH END APRIL 2021. Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

REGULAR AGENDA.

Item No. 8. On the Agenda. Communications from the audience.

There were none.

Item No. 9. On the Agenda. Communications from the City Council.

Councilmember Spallo stated: *"Yes, Mayor. I just want to thank our Code Enforcement Officers. They have been getting out and monitoring tall grass and I know that is a huge job at this time of year and I wanted to say thank you for monitoring that and making sure that all these properties are taken care of properly."*

Mayor Mallams stated: *"I have just one comment. Chief Hasty, back there behind the post. This is your last City Council meeting, isn't that correct? He has announced his retirement and this is coming from every one of us that are seated here. Over the years you have served in many different positions in Public Safety starting out as Firefighter, EMT, Safety and Training Officer, Battalion Chief, and Director of Public Safety since 2007. From each one of us, we thank you, our community thanks you for your conscientious and selfless service to our city. Thank you, and congratulations on your retirement."*

Item No. 10. On the Agenda. Communications from the City Manager.

City Manager Scott Wingerson stated: *"Mayor, thank you very much. Just some numbers to share with you tonight and building on your comments just a minute ago about Director Hasty. This is approximately his 350th Council meeting, so he has spent a year in this room over the course of 38 years of service. I thought he would be interested in that trivia. 86 is the number of Emergency Operations Center meetings we have had internally related to the pandemic. It started every day, then every other day, then every third day, every fifth day, once a week, once every other week, and then once every three weeks. Today was the last one. We closed the Emergency Operations Center down this morning about 8:30. We are pleased to report that. Finally, and probably most importantly, one is the number of babies in the Greer household later this week. Don't forget that. Thank you, Mayor."*

Item No. 11. On the Agenda. PUBLIC HEARING: Budget Fiscal Year 2021-2022.

Mayor Mallams opened the Public Hearing at 7:38 pm.

Finance Director Dominic Accurso approached Council. Please see attached documents for detail information.

There were no comments either for or against the Budget Fiscal Year 2021-2022.

Mayor Mallams closed the Public Hearing at 7:59 pm.

Item No. 12. On the Agenda. **PUBLIC HEARING:** Special Use Permit: KC Tint Works. *(The application was withdrawn by the applicant. This hearing was opened and immediately closed).*

Mayor Mallams opened the Public Hearing at 8:00 pm and immediately closed the Public Hearing at 8:00 pm.

Item No. 13. On the Agenda. **FIRST READING BILL NO. 21-17** An Ordinance directing the City Manager to execute a Cooperative Agreement with the North Kansas City School District No. 74 for providing a School Resource Officer at Antioch Middle School.

Mayor Pro Tem Garnos moved **Bill No. 21-17** be placed on its First Reading. **Councilmember Spallo** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0). The Clerk read the Bill.

Mayor Pro Tem Garnos moved to accept the First Reading of **Bill No. 21-17**, waive the rule, and place the Bill on its Second and Final Reading. **Councilmember Spallo** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0). The Clerk read the Bill.

Mayor Pro Tem Garnos moved to accept the Second and Final Reading of **Bill No. 21-17,** and enact the Bill as **Ordinance 4.555**. **Councilmember Spallo** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Item No. 14. On the Agenda. **FIRST READING BILL NO. 21-18** An Ordinance approving the delivery of Certificates of Participation Series 2021A (Capital Projects), of the City of Gladstone, Missouri, for the purpose of providing financing for various Capital Projects of the city and authorizing and approving certain documents and actions in connection therewith.

Councilmember Moore moved **Bill No. 21-18** be placed on its First Reading. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0). The Clerk read the Bill.

Councilmember Moore moved to accept the First Reading of **Bill No. 21-18**, waive the rule, and place the Bill on its Second and Final Reading. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0). The Clerk read the Bill.

Councilmember Moore moved to accept the Second and Final Reading of **Bill No. 21-18,** and enact the Bill as **Ordinance 4.556**. **Councilman Frisby** seconded. The Vote: "aye", Councilmember Tina Spallo, Councilman Tom Frisby, Councilmember Jean Moore, Mayor Pro Tem Bill Garnos, and Mayor R.D. Mallams. (5-0)

Item No. 15. On the Agenda. Other Business.

City Manager Wingerson stated: *"Mayor, if I could, make two introductions. People you already know. Tom Kaleko from Baker Tilly, our municipal financial advisor, in case you had any questions on Item 14; and Rick McConnell, our bond counsel with Armstrong Teasdale. I thank both of them and their teams for putting together the financing package that we just approved. Thank you."*

Item No. 16. On the Agenda. Adjournment.

Mayor Mallams adjourned the May 24, 2021, Regular City Council meeting at 8:05 pm.

Respectfully submitted:

Ruth E Bocchino

Ruth E. Bocchino, City Clerk

Approved as presented: ✓

Approved as modified: ___

D Mallams

Mayor R.D. Mallams

CERTIFICATE REGARDING NOTICE OF MEETING

I, the undersigned, City Clerk of City of Gladstone, Missouri, certify that (1) the attached notice of meeting of the City Council, held on May 24, 2021, was posted at least 24 hours prior to the commencement of the meeting on a bulletin board or other prominent place at the City's offices in Gladstone, Missouri, the principal office and meeting place of the City Council, which is easily accessible to the public and clearly designated for posting notices of the City Council, and (2) the attached notice of meeting of the City Council was made available at least 24 hours prior to the commencement of the meeting to any representative of the news media who requested notices of meetings of the City.

Dated: May 23, 2021.

Ruth E Bacchus

City Clerk

CERTIFICATION OF THE CITY CLERK

The undersigned, City Clerk of the City of Gladstone, Missouri, does hereby certify: That the attached is a true and correct copy of the City of Gladstone Bill No. 21-18, Ordinance No. 4.556, An Ordinance approving the delivery of Certificates of Participation Series 2021A (Capitol Projects), of the City of Gladstone, Missouri, for the purpose of providing financing for various capital projects of the city and authorizing and approving certain documents and actions in connection therewith, and, further, that such Ordinance has been fully recorded in the journal of proceedings and records in the City Clerk's office May 24, 2021.

WITNESS WHEREOF, I have hereunto set my hand and seal this 23rd day of June, 2021.

Ruth E. Bocchino
City Clerk

(SEAL)

BILL NO. 21-18 **ORDINANCE NO. 4.556**

AN ORDINANCE APPROVING THE DELIVERY OF CERTIFICATES OF PARTICIPATION SERIES 2021A (CAPITAL PROJECTS), OF THE CITY OF GLADSTONE, MISSOURI, FOR THE PURPOSE OF PROVIDING FINANCING FOR VARIOUS CAPITAL PROJECTS OF THE CITY AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Gladstone, Missouri, (the "City"), desires to obtain financing for (i) the construction of a new Public Safety Headquarters adjacent to the existing City Hall; (ii) additions to and renovation of Fire Station Number 2; and (iii) improvements to the existing City Hall associated with the construction of the Public Safety Headquarters as well as some additional renovation (collectively, the "Project"); and paying certain costs related to such actions; and

WHEREAS, in order to accomplish the purposes set forth herein, the City desires to authorize the execution and delivery of not to exceed $16,500,000 of Certificates of Participation (Capital Projects), Series 2021A (the "Certificates"); and

WHEREAS, in order to facilitate the foregoing and to provide financing to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into a Ground Lease (the "Ground Lease") with the Trustee, pursuant to which the City will lease the real property (the "Site") described therein and the improvements thereon to the Trustee;

2. Enter into an annually renewable Lease Purchase Agreement (the "Lease Purchase Agreement") with the Trustee, pursuant to which the City will lease the Leased Property described therein on a year-to-year basis from the Trustee with an option to purchase;

3. Enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), pursuant to which the City will agree to provide ongoing disclosure of financial and other information with respect to the Certificates;

4. Enter into a Tax Compliance Agreement (the "Tax Compliance Agreement") with Security Bank of Kansas City with respect to the tax-exempt status of the interest portion of the rent paid under the Lease Purchase Agreement with respect to the Certificates; and

5. Enter into an Indenture of Trust (the "Indenture of Trust") with Security Bank of Kansas City, as trustee (the "Trustee"), pursuant to which the Trustee will execute the Certificates.

WHEREAS, the City intends to take competitive bids for the sale of such Certificates.

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

Section 1. Authorization of Documents. The Ground Lease, the Lease Purchase Agreement, the Tax Compliance Agreement, the Indenture of Trust and the Continuing Disclosure Agreement (collectively, the "City Documents") are hereby authorized and approved in substantially the forms submitted to and reviewed by the City Council of the City on the date hereof, with such changes therein as shall be approved by the Mayor or the City Manager of the City, with the Mayor's or City Manager's execution thereof to be conclusive of the approval thereof, provided that such documents reflect the following final terms of the Certificates:

(a) The principal amount of the Certificates shall not exceed $16,500,000.
(b) The True Interest Cost of the Certificates shall not exceed 3.25%.
(c) The Certificates shall be subject to optional prepayment beginning not later than the year 2031.
(d) The weighted average maturity of the Series 2021A Certificates shall be between 10.0 years and 15.0 years.
(e) The final maturity of the Certificates shall be not later than the year 2044.

The obligation of the City to pay rental payments under the Lease Purchase Agreement is limited to payment from funds annually appropriated by the City Council of the City for that purpose, shall constitute a current expense of the City and shall not in any way be construed to be an indebtedness or liability of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the City, nor shall anything contained in the Lease Purchase Agreement constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the Lease Purchase Agreement shall be construed so as to give effect to such intent.

The Mayor or the City Manager is hereby authorized and directed to execute and deliver the City Documents on behalf of the City. The City Clerk is hereby authorized to affix the City's seal thereto and attest said seal where appropriate.

Section 3. Sale of Certificates. The sale of the Certificates by competitive sale is hereby approved, subject to the limitations set forth in Section 2. The Mayor or City Manager is authorized to accept the bid of the purchaser offering the lowest "true interest cost" to the City, upon the recommendation of the City's Municipal Advisor, Baker Tilly Municipal Advisors, LLC.

Section 4. Notice of Sale and Official Statement. The Notice of Sale and the Preliminary Official Statement, in substantially the forms presented to and reviewed by the City Council on the date hereof, are hereby ratified and approved, and the final Official Statement is hereby adopted by supplementing, completing and amending the Preliminary Official Statement. The Mayor or the City Manager is hereby authorized to execute the Official Statement on behalf of the City.

Section 5. Reimbursement. The City has previously made and expects to make capital expenditures after the date of the adoption of this Order in connection with the Projects, and the City intends to reimburse itself for such expenditures with proceeds of the Certificates.

Section 6. Further Authority. The City shall, and the officials and agents of the City are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents and the Project.

Section 7. Severability. If any one or more of the terms, provisions or conditions of this ordinance shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, none of the remaining terms, provisions or conditions of this ordinance shall be affected thereby and each provision of this ordinance shall be valid and enforceable to the fullest extent permitted by law.

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

INTRODUCED, READ, PASSED, AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 24th DAY OF MAY, 2021.

Mayor R.D. Mallams

ATTEST:

Ruth E. Bocchino, City Clerk

First Reading: May 24, 2021 Second Reading: May 24, 2021

Request for Council Action

RES ☐# **BILL ☒# 21-18** **ORD # 4.556**

Date: 5/20/2021 Department: General Administration

Meeting Date Requested: 5/24/2021

Public Hearing: Yes ☐ Date:

Subject: Issuance of Certificates of Participation related to capital projects including Police Headquarters, Fire Station #2, and City Hall.

Background:

Budget Discussion: Funds are budgeted for $ 1,000,000 from the OTHER Capital Improvement Sales Tax Fund. Ongoing costs are estimated to be $ 5,000 to 10,000 annually. Previous years' funding was $0

Public/Staff Input/Commission: the proposed Bill provides the 'second half' of anticipated financing based on Shaping Our Future initiatives. This Bill also provides for issuance of Certificates of Participation within certain parameters and ratification by the City Council.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Scott Wingerson
Department Head

John Mullane
City Attorney

City Manager

RCA DUE TO CITY CLERK WEDNESDAY 12:00 PM

CITY'S CLOSING CERTIFICATE

Relating to

$14,840,000
City of Gladstone, Missouri
Certificates of Participation
(Capital Projects)
Series 2021A

We, the undersigned, hereby certify that we are the City Manager and City Clerk, respectively, of City of Gladstone, Missouri (the "City"), and as such we are familiar with the books and records of the City. In connection with a transaction involving the above-captioned Certificates of Participation (the "Certificates"), we hereby certify as follows:

Capitalized words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the Indenture of Trust dated as of June 1, 2021 (the "Indenture"), executed by Security Bank of Kansas City, as trustee (the "Trustee") and the City.

1. The following documents (collectively referred to hereinafter as the "City Documents") have been signed or executed (as applicable) by the undersigned and delivered in the name and on behalf of the City:

Instrument	**Date**
Indenture of Trust	June 1, 2021
Ground Lease	June 1, 2021
Lease Purchase Agreement	June 1, 2021
Continuing Disclosure Agreement	June 1, 2021
Notice of Sale	May 25, 2021
Preliminary Official Statement	May 25, 2021
Official Statement	June 10, 2021

2. The following persons were and are the duly elected and qualified officers of the City at all times during the proceedings relating to the authorization of the City Documents and the Certificates:

Name	**Title**
R.D. Mallams	Mayor
Bill Garnos	Mayor Pro Tem
Tina Spallo	Council Member
Jean Moore	Council Member
Tom Frisby	Council Member
Scott Wingerson	City Manager
Ruth Bocchino	City Clerk

3. The City Manager and City Clerk have manually executed all of the City Documents, each as applicable.

4. Any certification, representation or warranty in any certificate (including this Certificate) signed by the City Council, delivered to the Trustee or the Purchaser in connection with the delivery of the Certificates, and the certifications, representations and warranties in the City Documents shall be

deemed a certification, representation and warranty by the City to the Trustee and the Purchaser as to the statements made therein and are true and correct as of the date hereof.

5. To the best of our knowledge, no member of the City Council or other officer or employee of the City who has participated in the City's review and approval of the City Documents or who has or will participate on behalf of the City in the project financed or refinanced with the proceeds of the Certificates has any disqualifying interest in any contract or agreement with respect to the Certificates or with respect to the project financed or refinanced thereby. For purposes of this paragraph, a "disqualifying interest" is such a personal or business interest or relationship as would cause such participation to be a violation of conflict of interest provisions of Missouri statutes.

6. Each of the representations and warranties of the City set forth in the City Documents is accurate and complete in all material respects as of the date hereof, as if made on the date hereof. All agreements to be complied with and obligations to be performed by the City under the City Documents on or prior to the delivery of the Certificates have been complied with and performed.

7. Except as otherwise disclosed in the Official Statement, to the best of our knowledge, after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the City at law or in equity or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality in which an adverse determination might substantially adversely affect the ability of the City to perform its obligations under the City Documents, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by such documents or the validity or enforceability of such documents.

8. To the best of our knowledge, after reasonable inquiry, the information relating to the City and the City's participation in the transactions contemplated in the City Documents, contained in the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The financial statements of the City contained in the Official Statement (i) fairly present the financial position of the City as of the respective dates thereof, and (ii) fairly present the results of operations of the City for the respective periods covered thereby. Since the end of the last period covered by such financial statements, there have been no material adverse changes in the condition (financial or otherwise) of the City.

No event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date hereof any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in Ordinance to make the statements and information therein not misleading in any material respect.

9. The City has duly authorized, executed and delivered by all necessary action the City Documents. As of the date hereof, each is in full force and effect, and each constitutes the valid, binding and enforceable obligation of the City, and the City is entitled to the benefits of the same.

10. The execution and delivery of the City Documents and the other agreements contemplated thereby will not conflict with or result in a breach of any of the terms and provisions of, or constitute a default under, any existing law, court or administrative regulation, decree, Ordinance, or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is or may be bound.

11. The City has the power and authority to: (a) rent, as lessor and as lessee, property of the type that is being leased under the Ground Lease and the Lease Purchase Agreement, and (b) execute and

deliver the City Documents and perform all obligations and transactions required to be performed by it under the City Documents.

12. The City is not in default under and is not violating any provision of the City Documents or any indenture, mortgage, deed of trust, lien, agreement, contract, deed, lease, loan agreement, note, Ordinance, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it is bound, or to which it or any of its properties or assets are subject, where such default or violation would materially impair the City's operations or financial condition.

13. The City is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money. The City is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued. No event has occurred and is continuing under the provisions of any such instrument or agreement which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, where such default would materially impair its operations, financial condition or creditworthiness.

14. The forms, terms and provisions of the Indenture and the maturities, interest rates, prepayment terms and sale price of the Certificates are hereby in all respects approved.

15. The Certificates are being issued to provide funds (a) to pay the costs of the Project; and (b) to pay the costs of issuing the Certificates.

16. The exceptions set forth in the Commitment for Title Insurance No. 1191138, delivered by Stewart Title Company, do not and will not adversely affect the City's intended use of the Leased Property, and constitute Permitted Encumbrances. The legal descriptions contained in the commitment for title insurance accurately describe the real estate on which there will be situated the portion of the Project containing the existing City Hall and new Public Safety facility.

17. No additional or further authorization, consent or approval by any governmental body or agency not already obtained is required in connection with the valid execution and delivery of the City Documents by the City Manager, or in connection with the performance by the City of its obligations under the City Documents, provided that the obligation to pay Base Rentals is subject to annual appropriation by the City Council.

18. The City understands and agrees that this Certificate will be relied upon by, among others, the Trustee, the Purchaser and by Special Counsel.

19. The City hereby authorizes and requests the Trustee to deliver the $14,840,000 principal amount of Certificates, registered in such names as shall be furnished to the Trustee by the Purchaser, on the date hereof, upon receipt from the Purchaser of the purchase price for said Certificates, determined as follows:

Principal Amount	$14,840,000.00
Net Original Issue Premium	1,409,862.40
Less Underwriting Discount	(192,570.40)
Total Proceeds	$16,057,292.00

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DATED: June 24, 2021

CITY OF GLADSTONE, MISSOURI,

By: _____
Name: Scott Wingerson
Title: City Manager

ATTEST:

Ruth E Bocchino
Name: Ruth Bocchino
Title: City Clerk

<City Seal>

CITY OF GLADSTONE CORPORATE SEAL MISSOURI

[City's Closing Certificate]

Schedule I

Please make payment to the City of Gladstone, Missouri by check for the amount of $44,559.97 representing the following items:

PO#	Vendor		Amount		Date
20-001336	KC Star	RFQ Advertisemer	$	251.04	10/11/19
20-001599	Kansas City Star	RFQ - Constructio	$	282.42	11/01/19
20-001559	Clay County Recorder	Record vacating o	$	39.00	12/06/19
20-001757	Future Stories Consult	Site Selection	$	4,800.00	12/13/19
20-004526	Kansas City Star	RFP - Site Selectio	$	254.84	07/17/20
21-000740	Kansas City Star	RFQ - Constructio	$	232.68	09/18/20
21-002753	Stewart Title Co.	Title Report	$	500.00	03/12/21
21-003164	Seigfried Bingham	Professional Servi	$	2,339.99	04/16/21
21-003180	Stewart Title Co.	Title Report	$	500.00	04/23/21
21-003586	PSI	Geotechnical Servi	$	6,995.00	05/28/21
21-003813	Police Design Facilities	Site Evaluation	$	28,365.00	06/18/21
	Total Incidentals (B.):		$	44,559.97	

ALTA OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection
   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

Billie L. Middleton
Authorized Countersignature

Stewart Title Company
1220 Washington St, Ste 102
Kansas City, MO 64105

STEWART TITLE GUARANTY COMPANY INCORPORATED 1908 TEXAS

Frederick H. Eppinger
President and CEO

David Hisey
Secretary

For coverage information or assistance resolving a complaint, call (800) 729-1902 or visit www.stewart.com. To make a claim, furnish written notice in accordance with Section 3 of the Conditions.

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9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. **DEFINITION OF TERMS**

   The following terms when used in this policy mean:
   (a) “Amount of Insurance”: The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
   (b) “Date of Policy”: The date designated as “Date of Policy” in Schedule A.
   (c) “Entity”: A corporation, partnership, trust, limited liability company, or other similar legal entity.
   (d) “Insured": The Insured named in Schedule A.
      (i) the term "Insured" also includes
         (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
         (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
         (C) successors to an Insured by its conversion to another kind of Entity;
         (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
            (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
            (2) if the grantee wholly owns the named Insured,
            (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
            (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
      (ii) with regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
   (e) "Insured Claimant": An Insured claiming loss or damage.
   (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
   (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
   (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

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(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. **CONTINUATION OF INSURANCE**

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. **NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. **PROOF OF LOSS**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. **DEFENSE AND PROSECUTION OF ACTIONS**

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. **DUTY OF INSURED CLAIMANT TO COOPERATE**

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. **OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or

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tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
   (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
   (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.
   Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. **DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
   (i) the Amount of Insurance; or
   (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
   (i) the Amount of Insurance shall be increased by 10%, and
   (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. **LIMITATION OF LIABILITY**

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. **REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. **LIABILITY NONCUMULATIVE**

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. **PAYMENT OF LOSS**

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. **RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. **ARBITRATION**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

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15. **LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**
    (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
    (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
    (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
    (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. **SEVERABILITY**
    In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. **CHOICE OF LAW; FORUM**
    (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
    Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
    (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. **NOTICES, WHERE SENT**
    Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at P.O. Box 2029, Houston, TX 77252-2029.

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ALTA OWNERS POLICY
SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Name and Address of Title Insurance Company: Stewart Title Guaranty Company
P.O. Box 2029
Houston, TX 77252-2029

File No.: 1191138 **Policy No.:** O-9301-5179692
Customer/Client File No.:
Address Reference: 7010 N Holmes Street, Gladstone, MO 64118

Amount of Insurance: $15,430,000.00 **Premium (Risk Rate):** $5,515.20

Date of Policy: June 24, 2021 at 8:00AM

1. Name of Insured:

   Security Bank of Kansas City, as Trustee

2. The estate or interest in the Land that is insured by this policy is:

   LEASEHOLD

3. Title is vested in:

   Security Bank of Kansas City, as Trustee

4. The Land referred to in this policy is described as follows:

   See Exhibit “A” Attached Hereto

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ALTA OWNERS POLICY
EXHIBIT "A"
LEGAL DESCRIPTION

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1191138 **Policy No.:** O-9301-5179692

The leasehold estate created by the lease dated June 1, 2021, by and between The City of Gladstone, lessor, and Security Bank of Kansas City, as Trustee, lessee, the existence of which is disclosed by instrument designated Ground Lease, filed June 24, 2021, as Document No. 2021027299, demising and leasing the subject property, to-wit:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.

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ALTA OWNERS POLICY
SCHEDULE B

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1191138 **Policy No.:** O-9301-5179692

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses that arise by reason of:

1. Standard Exceptions
   a. Rights or claims of parties in possession not shown by the public records.

   b. Easements, or claims of easements, not shown by the public records.

   c. Any encroachment, encumbrance, violation, variation, or adverse circumstances that would be disclosed by an accurate and complete land survey of the Land.

   d. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

   e. Taxes or special assessments which are not shown as existing liens by the public records.

2. Taxes for 2021 and subsequent years. None now due and payable.

3. Consequences of any inaccuracy in the tax records.

4. This policy does not insure that the tax exempt status will remain in effect after the effective date of this policy, and retroactive assessments, penalties and interest arising due to termination of the exempt status are hereby excepted from coverage.

5. Subject to Fee ownership interest in The City of Gladstone, Missouri.

6. Building lines, easements, restrictions and other matters shown on the recorded plat/map of LINDEN, recorded in Plat Book A and Page 29.

7. The subject property is located within the boundaries of Public Water Supply District No. One of Clay County, Missouri, filed in the Clay County Circuit Court as Case No. 14,422 and recorded 12/9/1935 as Document No. 57719, and as Document No. A32237 in Book 470 at Page 470and may be subject to assessments by reason thereof.

8. Easements, if any, for public utilities, pipelines or facilities installed in any portion of the vacated street or alley, lying within the land, together with the right of ingress and egress to repair, maintain, replace and remove the same, as reserved in ordinance or resolution number 91 recorded 10/01/1954 as Document No. A54754 in Book 518 at Page 476.

9. Easements, if any, for public utilities, pipelines or facilities installed in any portion of the vacated street or alley, lying within the land, together with the right of ingress and egress to repair, maintain, replace and remove the same, as reserved in ordinance or resolution number 312 recorded 06/27/1958 as Document No. B10445 in Book 609 at Page 607.

10. Easement granted to Kansas City Power and Light Company as more fully set forth in the instrument

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recorded 11/15/1977 as Document No. D57941 in Book 1282 at Page 700.

11. Easement granted to Kansas City Power and Light Company as more fully set forth in the instrument recorded 04/25/1978 as Document No. D66866 in Book 1302 at Page 486.

12. Easements, if any, for public utilities, pipelines or facilities installed in any portion of the vacated street or alley, lying within the land, together with the right of ingress and egress to repair, maintain, replace and remove the same, as reserved in ordinance or resolution number 4.232 recorded 03/27/2013 as Document No. 2013011015 in Book 7062 at Page 185.

13. Easement granted to Kansas City Power and Light Company as more fully set forth in the instrument recorded 04/12/2013 as Document No. 2013013371 in Book 7075 at Page 16.

14. Easements, if any, for public utilities, pipelines or facilities installed in any portion of the vacated street or alley, lying within the land, together with the right of ingress and egress to repair, maintain, replace and remove the same, as reserved in Right of Way Vacation recorded 11/19/2019 as Document No. 2019034836 in Book 8548 at Page 121.

15. Unrecorded lease dated June 1, 2019, by and between The City of Gladstone, lessor, and Security Bank of Kansas City, as Trustee, lessee, the existence of which is disclosed by instrument designated Ground Lease, filed June 24, 2021, as Document No. 2021027299.

16. Unrecorded lease dated June 1, 2021, by and between Security Bank of Kansas City, lessor, and City of Gladstone, Missouri, lessee, the existence of which is disclosed by instrument designated Memorandum of Lease Purchase Agreement, filed June 24, 2021, as Document No. 2021027300.

17. Tenancy either by month to month or by virtue of a written lease, by a party in possession of any part of the subject property.

18. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed.

19. Any documents linked herein are provided for convenience only. Linked documents are not an abstract or attempt to abstract and shall not be the basis of any claim for negligence, negligent misrepresentation or other tort claim or action.

20. UCC Financing Statement by City of Gladstone, Missouri, as Debtor, Security Bank of Kansas City as Secured Party, recorded June 25, 2021 in the Official Records of Clay County, Missouri, as Instrument No. 2021027329.

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Stewart Title Guaranty Company Privacy Notice
Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. *Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company*	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: **Stewart Title Guaranty Company, 1360 Post Oak Blvd., Ste. 100, Privacy Officer, Houston, Texas 77056**

Privacy Notice for California Residents

Pursuant to the California Consumer Privacy Act of 2018 ("CCPA"), Stewart Information Services Corporation and its subsidiary companies (collectively, "Stewart") are providing this **Privacy Notice for California Residents** ("CCPA Notice"). This CCPA Notice supplements the information contained in Stewart's existing privacy notice and applies solely to all visitors, users and others who reside in the State of California or are considered California Residents ("consumers" or "you"). Terms used but not defined shall have the meaning ascribed to them in the CCPA.

Information Stewart Collects

Stewart collects information that identifies, relates to, describes, references, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device. Most of the information that Stewart collects in the course of its regular business is already protected pursuant to the Gramm-Leach-Bliley Act (GLBA). Additionally, much of this information comes from government records or other information already in the public domain. Personal information under the CCPA does not include:

- Publicly available information from government records.
- Deidentified or aggregated consumer information.
- Certain personal information protected by other sector-specific federal or California laws, including but not limited to the Fair Credit Reporting Act (FCRA), GLBA and California Financial Information Privacy Act (FIPA).

Specifically, Stewart has collected the following categories of personal information from consumers within the last twelve (12) months:

Category	Examples	Collected?
A. Identifiers.	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, Social Security number, driver's license number, passport number, or other similar identifiers.	YES
B. Personal information categories listed in the California Customer Records statute (Cal. Civ. Code § 1798.80(e)).	A name, signature, Social Security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. Some personal information included in this category may overlap with other categories.	YES
C. Protected classification characteristics under California or federal law.	Age (40 years or older), race, color, ancestry, national origin, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information).	YES
D. Commercial information.	Records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.	YES
E. Biometric information.	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, faceprints, and voiceprints, iris or retina scans, keystroke, gait, or other physical patterns, and sleep, health, or exercise data.	YES
F. Internet or other similar network activity.	Browsing history, search history, information on a consumer's interaction with a website, application, or advertisement.	YES
G. Geolocation data.	Physical location or movements.	YES
H. Sensory data.	Audio, electronic, visual, thermal, olfactory, or similar information.	YES
I. Professional or employment-related information.	Current or past job history or performance evaluations.	YES
J. Non-public education information (per the Family Educational Rights and Privacy Act (20 U.S.C. Section 1232g, 34 C.F.R. Part 99)).	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, class lists, student schedules, student identification codes, student financial information, or student disciplinary records.	YES
K. Inferences drawn from other personal information.	Profile reflecting a person's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	YES

Stewart obtains the categories of personal information listed above from the following categories of sources:

- Directly and indirectly from customers, their designees or their agents (For example, realtors, lenders, attorneys, etc.)
- Directly and indirectly from activity on Stewart's website or other applications.
- From third-parties that interact with Stewart in connection with the services we provide.

Use of Personal Information

Stewart may use or disclose the personal information we collect for one or more of the following purposes:

- To fulfill or meet the reason for which the information is provided.
- To provide, support, personalize, and develop our website, products, and services.
- To create, maintain, customize, and secure your account with Stewart.
- To process your requests, purchases, transactions, and payments and prevent transactional fraud.
- To prevent and/or process claims.
- To assist third party vendors/service providers who complete transactions or perform services on Stewart's behalf.
- As necessary or appropriate to protect the rights, property or safety of Stewart, our customers or others.
- To provide you with support and to respond to your inquiries, including to investigate and address your concerns and monitor and improve our responses.
- To personalize your website experience and to deliver content and product and service offerings relevant to your interests, including targeted offers and ads through our website, third-party sites, and via email or text message (with your consent, where required by law).
- To help maintain the safety, security, and integrity of our website, products and services, databases and other technology assets, and business.
- To respond to law enforcement or regulator requests as required by applicable law, court order, or governmental regulations.
- Auditing for compliance with federal and state laws, rules and regulations.
- Performing services including maintaining or servicing accounts, providing customer service, processing or fulfilling orders and transactions, verifying customer information, processing payments, providing advertising or marketing services or other similar services.
- To evaluate or conduct a merger, divestiture, restructuring, reorganization, dissolution, or other sale or transfer of some or all of our assets, whether as a going concern or as part of bankruptcy, liquidation, or similar proceeding, in which personal information held by us is among the assets transferred.

Stewart will not collect additional categories of personal information or use the personal information we collected for materially different, unrelated, or incompatible purposes without providing you notice.

Disclosure of Personal Information to Affiliated Companies and Nonaffiliated Third Parties

Stewart does not sell your personal information to nonaffiliated third parties. Stewart may share your information with those you have designated as your agent in the course of your transaction (for example, a realtor or a lender). Stewart may disclose your personal information to a third party for a business purpose. Typically, when we disclose personal information for a business purpose, we enter a contract that describes the purpose and requires the recipient to both keep that personal information confidential and not use it for any purpose except performing the contract.

We share your personal information with the following categories of third parties:

- Service providers and vendors (For example, search companies, mobile notaries, and companies providing credit/debit card processing, billing, shipping, repair, customer service, auditing, marketing, etc.)
- Affiliated Companies
- Litigation parties and attorneys, as required by law.
- Financial rating organizations, rating bureaus and trade associations.
- Federal and State Regulators, law enforcement and other government entities

In the preceding twelve (12) months, Stewart has disclosed the following categories of personal information for a business purpose:

Category A: Identifiers
Category B: California Customer Records personal information categories
Category C: Protected classification characteristics under California or federal law
Category D: Commercial Information
Category E: Biometric Information
Category F: Internet or other similar network activity
Category G: Geolocation data
Category H: Sensory data
Category I: Professional or employment-related information
Category J: Non-public education information
Category K: Inferences

Consumer Rights and Choices

The CCPA provides consumers (California residents) with specific rights regarding their personal information. This section describes your CCPA rights and explains how to exercise those rights.

Access to Specific Information and Data Portability Rights

You have the right to request that Stewart disclose certain information to you about our collection and use of your personal information over the past 12 months. Once we receive and confirm your verifiable consumer request, Stewart will disclose to you:

- The categories of personal information Stewart collected about you.
- The categories of sources for the personal information Stewart collected about you.
- Stewart's business or commercial purpose for collecting that personal information.
- The categories of third parties with whom Stewart shares that personal information.
- The specific pieces of personal information Stewart collected about you (also called a data portability request).
- If Stewart disclosed your personal data for a business purpose, a listing identifying the personal information categories that each category of recipient obtained.

Deletion Request Rights

You have the right to request that Stewart delete any of your personal information we collected from you and retained, subject to certain exceptions. Once we receive and confirm your verifiable consumer request, Stewart will delete (and direct our service providers to delete) your personal information from our records, unless an exception applies.

Stewart may deny your deletion request if retaining the information is necessary for us or our service providers to:

1. Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 *seq.*).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us.
8. Comply with a legal obligation.
9. Make other internal and lawful uses of that information that are compatible with the context in which you provided it.

Exercising Access, Data Portability, and Deletion Rights

To exercise the access, data portability, and deletion rights described above, please submit a verifiable consumer request to us either:

- Calling us Toll Free at 1-866-571-9270
- Emailing us at Privacyrequest@stewart.com
- Visiting http://stewart.com/ccpa

Only you, or someone legally authorized to act on your behalf, may make a verifiable consumer request related to your personal information. You may also make a verifiable consumer request on behalf of your minor child.

To designate an authorized agent, please contact Stewart through one of the methods mentioned above.

You may only make a verifiable consumer request for access or data portability twice within a 12-month period. The verifiable consumer request must:

- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected personal information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

Stewart cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and confirm the personal information relates to you.

Making a verifiable consumer request does not require you to create an account with Stewart.

Response Timing and Format

We endeavor to respond to a verifiable consumer request within forty-five (45) days of its receipt. If we require more time (up to an additional 45 days), we will inform you of the reason and extension period in writing.

A written response will be delivered by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

Stewart does not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request.

Non-Discrimination

Stewart will not discriminate against you for exercising any of your CCPA rights. Unless permitted by the CCPA, we will not:

- Deny you goods or services.
- Charge you a different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties.
- Provide you a different level or quality of goods or services.
- Suggest that you may receive a different price or rate for goods or services or a different level or quality of goods or services.

Changes to Our Privacy Notice

Stewart reserves the right to amend this privacy notice at our discretion and at any time. When we make changes to this privacy notice, we will post the updated notice on Stewart's website and update the notice's effective date. **Your continued use of Stewart's website following the posting of changes constitutes your acceptance of such changes.**

Contact Information

If you have questions or comments about this notice, the ways in which Stewart collects and uses your information described here, your choices and rights regarding such use, or wish to exercise your rights under California law, please do not hesitate to contact us at:

Phone: Toll Free at 1-866-571-9270

Website: http://stewart.com/ccpa

Email: Privacyrequest@stewart.com

Postal Address: Stewart Information Services Corporation

Attn: Mary Thomas, Deputy Chief Compliance Officer

1360 Post Oak Blvd., Ste. 100, MC #14-1

Houston, TX 77056

ALTA ENDORSEMENT 13-06 (LEASEHOLD – OWNER'S)
ATTACHED TO POLICY NUMBER O-9301-5179692

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 1191138 **Charge:** $0.00

1. As used in this endorsement, the following terms shall mean:

   a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.

   b. "Lease": the lease described in Schedule A.

   c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.

   d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

   e. "Personal Property": property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.

   f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted.

   g. "Tenant Leasehold Improvements": Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Insured, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss if applicable, to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(ii) of the Conditions:

   a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by

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reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.

g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.

4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: June 24, 2021

Billie K. Middleton

Authorized Countersignature

Stewart Title Company
1220 Washington St, Ste 102
Kansas City, MO 64105

STEWART TITLE GUARANTY COMPANY
INCORPORATED
1908
TEXAS

Frederick H. Eppinger
President and CEO

David Hisey
Secretary

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TRUSTEE'S CLOSING CERTIFICATE
AND RECEIPT FOR PURCHASE PRICE

Relating to

$14,840,000
City of Gladstone, Missouri
Certificates of Participation
(Capital Projects)
Series 2021A

The undersigned, Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"), as Trustee under the hereinafter defined Indenture, hereby certifies as follows:

Capitalized words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the Indenture of Trust dated as of June 1, 2021 (the "Indenture"), executed by the Trustee and City of Gladstone, Missouri.

1. Power and Authority. The Trustee is a state banking corporation, duly organized and existing under the laws of the State of Kansas. The Trustee has full power and authority to enter into the Ground Lease, the Lease and the Indenture, to hold interests in the Leased Property under the Ground Lease and the Lease and to act as Trustee as provided in the Indenture.

2. Authorization of Officers. The Ground Lease, the Lease and the Indenture have been duly executed on behalf of the Trustee, its corporate seal affixed thereto and attested, by the duly authorized officers of the Trustee. Each of said persons was at the time of the execution of such documents and now is the duly elected or appointed, qualified and acting incumbent of his respective office, and is authorized to perform the acts described herein. The Ground Lease, the Lease and the Indenture constitute valid and binding obligations of the Trustee, enforceable in accordance with their terms.

3. No Conflict. The acceptance by the Trustee of the duties and obligations of the Trustee under the Ground Lease, the Lease and the Indenture and compliance with the provisions thereof, will not, to the best of its knowledge, conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, indenture, contract, lease, loan agreement, mortgage, note, Ordinance, resolution or other agreement or instrument to which the Trustee is subject or by which the Trustee is or may be bound.

4. Execution of Certificates. Pursuant to **Section 2.03** of the Indenture, Certificates in the principal amount of $14,840,000 have been executed on behalf of the Trustee by an authorized officer or signatory of the Trustee. Said officer or signatory was at the time of the acts mentioned above and still is at the date hereof a duly elected or appointed, qualified and acting officer or signatory of the Trustee and was and still is at the date hereof authorized to perform said acts.

5. Registration of Certificates. The Certificates have been duly registered in the registration books kept by the Trustee, as Registrar, in such names as have been furnished by the Purchaser.

6. Delivery of Certificates. On the date hereof, the Trustee delivered the Certificates to the Purchaser.

7. Receipt of Purchase Price. The Trustee has received in trust from the Purchaser the purchase price of the Certificates calculated as follows:

Principal Amount	$14,840,000.00
Net Original Issue Premium	1,409,862.40
Less Underwriting Discount	(192,570.40)
Total Proceeds	$16,057,292.00

8. Deposit of Certificate Proceeds and Other Moneys. The Trustee, pursuant to **Section 4.02** of the Indenture, has deposited or disbursed the proceeds from the sale of the Certificates, together with other available funds of the Lessee, as provided in the Indenture.

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DATED: June 24, 2021.

SECURITY BANK OF KANSAS CITY

By: Erica L. Lemon
Name: Erica Lemon
Title: Vice President

UNDERWRITER'S RECEIPT FOR CERTIFICATES AND ISSUE PRICE CERTIFICATE

$14,840,000
CITY OF GLADSTONE, MISSOURI
CERTIFICATES OF PARTICIPATION
(CAPITAL PROJECTS)
SERIES 2021A

The undersigned, on behalf of Robert W. Baird & Co., Inc. (the "**Original Purchaser**"), as the original purchaser of above captioned Certificates of Participation (the "**Certificates**") issued by the City of Gladstone, Missouri (the "**Issuer**") certifies and represents as follows:

1. Receipt for Certificates. We acknowledge receipt on the date hereof of the Certificates, consisting of fully registered Certificates, which are numbered from R-1 consecutively upward, in authorized denominations of $5,000 or integral multiples thereof and delivered pursuant to the Declaration of Trust dated June 1, 2021.

2. Issue Price. For purposes of this section the following definitions apply:

"**Maturity**" means Certificates with the same credit and payment terms; Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

"**Public**" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

"Sale Date" means June 10, 2021.

"**Underwriting Firm**" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The Original Purchaser represents as follows:

1. As of Sale Date, the reasonably expected initial offering prices of the Certificates to the Public by the Original Purchaser are the prices listed in Schedule A (the "**Initial Offering Prices**"). The Initial Offering Prices are the prices for the Maturities of the Certificates use by the Original Purchaser in formulating its bid to purchase the Certificates.

2. The Purchaser offered all of the Certificates to the Public in a bona fide initial offering.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

We understand that this certificate will be relied upon by the Issuer in executing its Tax Compliance Agreement related to the Certificates and by Armstrong Teasdale LLP in rendering its opinion relating to the exclusion from federal gross income of the interest on the Certificates and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

DATED: June 24, 2021

ROBERT W. BAIRD & CO., INC., as original purchaser

By: charles massaro

Name: Charles Massaro

Title: Managing Director

Schedule A

Initial Offering Prices

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		YTM	Call Date	Call Price	Dollar Price
03/01/2022	Serial Coupon	5.000%	0.150%	545,000.00	103.324%		-	-	-	563,115.80
03/01/2023	Serial Coupon	5.000%	0.200%	425,000.00	108.075%		-	-	-	459,318.75
03/01/2024	Serial Coupon	5.000%	0.250%	475,000.00	112.708%		-	-	-	535,363.00
03/01/2025	Serial Coupon	5.000%	0.350%	490,000.00	117.015%		-	-	-	573,373.50
03/01/2026	Serial Coupon	5.000%	0.500%	510,000.00	120.815%		-	-	-	616,156.50
03/01/2027	Serial Coupon	5.000%	0.600%	520,000.00	124.559%		-	-	-	647,706.80
03/01/2028	Serial Coupon	5.000%	0.750%	535,000.00	127.663%		-	-	-	682,997.05
03/01/2029	Serial Coupon	5.000%	0.900%	565,000.00	130.380%		-	-	-	736,647.00
03/01/2030	Serial Coupon	5.000%	1.000%	590,000.00	133.197%		-	-	-	785,862.30
03/01/2031	Serial Coupon	5.000%	1.100%	620,000.00	135.738%		-	-	-	841,575.60
03/01/2032	Serial Coupon	3.000%	1.200%	650,000.00	116.412%	c	1.346%	03/01/2031	100.000%	756,678.00
03/01/2033	Serial Coupon	3.000%	1.250%	670,000.00	115.916%	c	1.509%	03/01/2031	100.000%	776,637.20
03/01/2034	Serial Coupon	2.000%	1.600%	725,000.00	103.575%	c	1.686%	03/01/2031	100.000%	750,918.75
03/01/2035	Serial Coupon	2.000%	1.700%	725,000.00	102.667%	c	1.779%	03/01/2031	100.000%	744,335.75
03/01/2036	Serial Coupon	2.000%	1.800%	730,000.00	101.769%	c	1.862%	03/01/2031	100.000%	742,913.70
03/01/2037	Serial Coupon	2.000%	1.850%	745,000.00	101.323%	c	1.902%	03/01/2031	100.000%	754,856.35
03/01/2039	Term 1 Coupon	2.000%	2.000%	1,530,000.00	100.000%		-	-	-	1,530,000.00
03/01/2040	Serial Coupon	2.000%	2.050%	730,000.00	99.225%		-	-	-	724,342.50
03/01/2041	Serial Coupon	2.000%	2.100%	745,000.00	98.393%		-	-	-	733,027.85
03/01/2042	Serial Coupon	2.125%	2.150%	760,000.00	99.582%		-	-	-	756,823.20
03/01/2043	Serial Coupon	2.125%	2.180%	770,000.00	99.052%		-	-	-	762,700.40
03/01/2044	Serial Coupon	2.125%	2.200%	785,000.00	98.664%		-	-	-	774,512.40
Total		-	-	$14,840,000.00	-	-	-	-	-	$16,249,862.40

TAB 16

RATING LETTER [ON FILE WITH THE CITY]

June 24, 2021

City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118

Robert W. Baird & Co., Inc.
One Harding Road, Suite 207
Red Bank, New Jersey 07701

Security Bank of Kansas City, as Trustee
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101

Re: $14,840,000 Certificates of Participation (Capital Projects), Series 2021A

Ladies and Gentlemen,

We have acted as special tax counsel to the City of Gladstone, Missouri (the ***"City"***), in connection with the above-referenced certificates (the ***"Series 2021A Certificates"***). The Series 2021A Certificates are executed and delivered pursuant to a Indenture of Trust dated as of June 1, 2021 (the ***"Indenture"***), between Security Bank of Kansas City, as trustee (the ***"Trustee"***), and the City and evidence interests of the Owners thereof in Base Rentals to be made by the City under a Lease Purchase Agreement dated as of June 1, 2021 (the ***"Lease"***) between the City and the Trustee, as approved by an ordinance of the City Council of the City adopted on May 24, 2021 (the ***"Ordinance"***). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indenture, unless the context requires otherwise.

We have examined the law and such certified proceedings and other materials as we deem necessary to enable us to render this opinion. As to questions of fact material to this opinion, we have relied upon representations of the City contained in the Ordinance and in other documents and certificates delivered in connection with the execution and delivery of the Series 2021A Certificates, and the certified proceedings and other certifications of the City and others furnished to us, in each case without undertaking to verify the same by independent investigation.

In making our examination of documents and except as provided in Paragraphs 1 and 2 below, we have assumed that the parties to such documents had the power to enter into and perform all obligations thereunder; the due and valid authorization, execution and delivery of such documents; that such documents are valid and binding obligations of the parties thereto and are enforceable against such parties in accordance with their terms; and that the parties to such documents have complied and will comply with their obligations thereunder. We have assumed the genuineness of all signatures on all documents examined by us, the authenticity of all documents submitted to us as originals, and the conformity to authentic originals of all documents submitted to us as copies. In giving this opinion, we have relied upon such certificates with respect to the accuracy of factual matters contained therein, which were not independently established.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that, under existing law:

1. The Ground Lease dated as of June 1, 2021 (the ***"Ground Lease"***) between the City and the Trustee and the Lease and the Indenture have been duly authorized by the City, have been duly executed by the City, and constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms, except that the Lease is enforceable only during each fiscal year for which sufficient funds have been appropriated.

2. The Series 2021A Certificates have been duly authorized, executed and delivered in accordance with the Indenture, are entitled to the benefits and security of the Indenture and evidence interests in the rights to receive Base Rentals under the Lease, which rights are enforceable against the City in accordance with the terms of the Series 2021A Certificates, the Indenture and the Lease.

3. The Interest Component of the Base Rentals paid by the City under the Lease and distributed to the Registered Owners of the Series 2021A Certificates (including any original issue discount properly allocable to an owner of the Series 2021A Certificates) is excludable from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the City and the Trustee comply with all requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), that must be satisfied subsequent to the issuance of the Certificates in order that the Interest Components be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with such requirements may cause the Interest Components to be included in gross income for federal and Missouri income tax purposes retroactive to the date of the issuance of the Certificates. The Certificates have not been designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

4. We express no opinion regarding (a) any federal or Missouri tax consequences, including whether such income is exempt from the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended, arising with respect to the Base Rentals or the Series 2021A Certificates except as set forth in Paragraph 3 above, (b) the treatment for federal or Missouri income tax purposes of any money received by Registered Owners of the Certificates subsequent to termination of the Lease by reason of an Event of Nonappropriation or an Event of Default, or (c) the title to or the description of the property subject to the Ground Lease or the Lease.

It is to be understood that the rights of the owners of the Series 2021A Certificates and the enforceability thereof and of the Ground Lease and the Lease may be limited by bankruptcy, insolvency,

reorganization, receivership, moratorium and other similar laws relating to or affecting creditors' rights and by equitable principles, whether considered at law or in equity, and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

The foregoing opinions are also subject to the following assumptions, exceptions and qualifications:

A. We express no opinion with respect to (i) waivers of any constitutional, statutory or common law rights, (ii) ownership of or title to or description of any property, (iii) the creation, attachment, perfection or priority of any lien, pledge, mortgage or security interest, (iv) any law, rule or regulation relating to securities, tax (except as set forth in paragraph 3 hereof), environmental, antitrust, maritime, hazardous materials, pensions or employee benefits, health or safety, (v) provisions relating to submission to jurisdiction or agreeing to venue of a court, (vi) the enforceability of any agreement to arbitrate or any liquidated damages provisions, (vii) local laws, rules and regulations, including building codes, zoning or restrictive covenants, or (viii) patent, copyright, service mark, trade name or trademark rights. Insofar as the foregoing opinions relate to the validity and enforceability of any provision which is expressed to be governed by the laws of any jurisdiction other than the State, we have assumed that such provisions are legal, valid and binding under such laws (as to which we express no opinion).

B. Further, the opinions in this letter do not include any opinion as to the enforceability of (i) any waiver of jury trial, (ii) any choice of law provision, (iii) any limitation on the availability of a remedy under certain circumstances where another remedy has been elected, (iv) any limitation on the right of a creditor to use force or cause a breach of the peace in enforcing rights, (v) the sale or disposition of collateral which may not be commercially reasonable, (vi) any provisions which release, exculpate or exempt a party from, or require indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, (vii) any rights to indemnification or contribution insofar as such rights may be limited or otherwise affected by limitations based on statutes, case law or public policy, or (viii) any severability provision.

C. The opinions in this letter regarding the enforceability of any document or obligation are subject to (i) bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance, receivership, preferential transfer, liquidation and similar laws relating to or affecting rights and remedies of creditors generally, (ii) principles of equity, including, without limitation, applicable law relating to fiduciary duties and equitable remedies, including specific performance and injunctive relief (regardless of whether such enforceability is considered or applied in a proceeding in equity or at law), (iii) standards of good faith, fair dealing, course of dealing, course of performance, materiality and reasonableness that may be applied by a court, considerations of public policy and the exercise of judicial discretion, and (iv) federal or state securities laws and public policy considerations relating to indemnification or contribution. Furthermore, we express no opinion as to the enforceability of (i) any covenants or warranties regarding the exercise of rights without appropriate notice and hearing, (ii) any non-judicial sales rights other than the power of sale, (iii) any provision purporting to waive broadly or vaguely stated rights, unknown future defenses, rights to damages, or the benefits of other statutory, regulatory or constitutional rights that cannot be waived or, if they can be waived, cannot be waived prospectively or (iv) provisions that purport to waive any statute of limitations that may be applicable to the rights of any party under any document or that otherwise directly or indirectly purport to limit or tend to limit the time in which any judicial or administrative proceeding may be instituted.

D. No opinion is given or expressed, nor should any opinion be inferred or implied, as to (i) the financial ability of the City under or pursuant to the Series 2021A Certificates to meet or satisfy its obligations thereunder, and (ii) the compliance by the City or any other person or entity with applicable federal and state securities laws and/or regulations in connection with the transactions evidenced by the Series 2021A Certificates.

Except as set forth in our supplemental opinion, we have not been engaged or undertaken to review the accuracy, adequacy, completeness, or sufficiency of the Official Statement or other offering material relating to the Series 2021A Certificates (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto.

The opinions expressed herein are limited to the federal law of the United States of America and the laws of Missouri, and we express no opinion as to the laws of any other state or jurisdiction, including any local or municipal laws. In rendering our opinion, we have not considered, and hereby disclaim any opinion as to, the application or impact of any laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

We call to your attention the fact that our legal opinions are an expression of professional judgment and not a guarantee of result. Further, the opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms, and provisions and facts as of such date. By rendering this opinion, we do not undertake, and hereby disclaim any obligation, to update this opinion letter after such date or to advise you of any changes in law or fact stated or assumed herein that may occur or come to our attention after the date hereof.

This Opinion is furnished only to you and is solely for your use and benefit in connection with the transactions described herein. Without our prior written consent, this opinion may not be used, quoted or otherwise referred to for any other purpose or relied upon by, or assigned to, any other person for any purpose, including any other person that seeks to assert your rights in respect of this Opinion.

Very truly yours,

Armstrong Teasdale LLP

June 24, 2021

City of Gladstone, Missouri
7010 North Holmes
Gladstone, Missouri 64118

Robert W. Baird & Co., Inc.
One Harding Road, Suite 207
Red Bank, New Jersey 07701

Security Bank of Kansas City, as Trustee
701 Minnesota Avenue, Suite 206
Kansas City, Kansas 66101

Re: $14,840,000 Certificates of Participation (Capital Projects), Series 2021A

We have acted as special tax counsel to the City of Gladstone, Missouri (the "City") in connection with the above-referenced certificates of participation (the "Certificates"). The Certificates are executed and delivered pursuant to an Indenture of Trust, dated as of June 1, 2021 (the *"Indenture"*), between Security Bank of Kansas City, as trustee (the *"Trustee"*), and the City and evidence interests of the Owners thereof in Basic Rent to be made by the City under a Lease Purchase Agreement dated as of June 1, 2021 (the "*Lease*") between the City and the Trustee. The Indenture and the Lease were approved by an ordinance of the City adopted on May 24, 2021 (the *"Ordinance"*). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Indenture, unless the context requires otherwise. This opinion supplements our separate legal opinion of even date herewith relating to the Certificates.

We have examined the originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, agreements, and other materials as we have deemed necessary or appropriate to enable us to deliver this opinion. In connection with this opinion, we have relied, as to factual matters, upon the representations and information contained in such documents, instruments, agreements, and materials, the certified proceedings and representations of the City, and other certifications of public officials and others furnished to us, in each case without undertaking to verify the same by independent investigation.

In connection with this opinion (a) we have assumed the genuineness of all signatures to the documents referenced herein, the authenticity of all documents submitted to us as originals, and the conformity with the originals of all documents submitted to us as copies; (b) we have assumed that the documents

referenced herein have been duly authorized, executed, and delivered by, and are valid and binding obligations of, the parties thereto and are enforceable against such parties in accordance with their terms; and (c) we have assumed that the parties to such documents had the power to enter into and perform all obligations thereunder and have complied and will comply with their obligations thereunder.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that, under existing law, the Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

Except to the limited extent expressly provided in the preceding paragraph and our separate opinion delivered as special tax counsel to the City, we are not expressing (and cannot express) any opinion or view with respect to the Official Statement or any other matters related to the Certificates including the authorization, issuance, delivery, or validity of the Certificates or the tax-exempt status of the interest paid on the Certificates.

We are qualified to practice law in the State of Missouri and we do not purport to be experts on, or to express any opinion herein concerning, any matter governed by the laws of any jurisdiction including any local or municipal laws, other than the laws of the State and the federal law of the United States of America applicable to the Certificates. In rendering our opinion, we have not considered, and hereby disclaim any opinion as to, the application or impact of any other laws, cases, decisions, rules or regulations of any other jurisdiction, court or administrative agency.

We call to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result.

This opinion is further limited solely to the matters set forth herein and no other opinion is to be inferred or implied herefrom. This opinion is delivered to you for your use and benefit only in connection with the transactions described herein and may not be used, quoted, published, assigned or relied upon by or communicated to any third party (including any other person that seeks to assert your rights in respect of this opinion) or used for any other purpose whatsoever without our prior written approval in each instance.

The opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms and provisions and facts of such date. By rendering this opinion, we do not undertake, and hereby disclaim any responsibility, to update our opinion based upon, or advise you of, any change in law or fact stated or assumed herein which may occur or come to our attention after the date hereof.

Very truly yours,

Armstrong Teasdale LLP

Recorded in Clay County, Missouri

Date and Time: 06/25/2021 at 08:03:41 AM
Instrument Number: 2021027329
Book: 9093 Page: 159

Instrument Type: UCC
Page Count: 4
Recording Fee: $30.00 E

Electronically Recorded

Katee Porter, Recorder

RECORDER OF DEEDS CERTIFICATE
CLAY COUNTY, MISSOURI

EXEMPT DOCUMENT

This document has been recorded under exempt status pursuant to RSMO 59.310.4 and this certificate has been added to your document in compliance with the laws of the State of Missouri.

Katee Porter
Recorder of Deeds
Clay County Courthouse
Liberty, MO 64068

THIS PAGE HAS BEEN ADDED AS THE FIRST PAGE OF YOUR DOCUMENT–DO NOT REMOVE THIS PAGE

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
Richard McConnell

B. E-MAIL CONTACT AT FILER (optional)
rmcconnell@atllp.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Richard McConnell
Armstrong Teasdale LLP
2345 Grand Blvd., Suite 1500
Kansas City, Missouri 64108

Print Reset

Stewart 1191138

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
City of Gladstone, Missouri

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
7010 N. Holmes Ave.	**Gladstone**	**MO**	**64118**	**USA**

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Security Bank of Kansas City

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Minnesota Avenue	**Kansas City**	**KS**	**66101**	**USA**

4. COLLATERAL: This financing statement covers the following collateral:
All fixtures, goods or other personal property which become fixtures to the property described in Exhibit A attached hereto and incorporated herein.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
City of Gladstone, Missouri

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):
See Exhibit A for description of real estate

13. ☑ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☑ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:
See attached Exhibit "A"

17. MISCELLANEOUS:

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following land located in the City of Gladstone, Clay County, Missouri:

All of Block Twenty-one (21), together with the East 1/2 of vacated Oakley Avenue lying adjacent to said Block 21 on the West, AND all of the following described tract being that part of the vacated intersection of Oakley Avenue and 11th Street, described as follows: Beginning at the Northwest corner of Block 21; thence North in a line which is the prolongation of the West line of Block 21, a distance of 30 feet to the centerline of 11th Street; thence West 30 feet to the center of the intersection of Oakley Avenue and 11th Street and also the center of Oakley Avenue; thence South in a line parallel to and 30 feet West of the West line of Block 21 and in the centerline of Oakley Avenue, a distance of 30 feet to a point which would be the prolongation of the North line of Block 21; thence East 30 feet to the Northwest corner of Block 21 and the Point of Beginning, all in LINDEN, an addition in and to the City of Gladstone, Clay County, Missouri.