
TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE OF

\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021

Legal Opinion

Armstrong Teasdale LLP
Kansas City, Missouri

CLOSING MEMORANDUM

\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021

CLOSING: DECEMBER 21, 2021

This Memorandum sets forth the actions to be taken in connection with the issuance, sale and delivery by City of Gladstone, Missouri, of its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in the maximum principal amount of \$35,380,000 (the “Bonds”). 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 issuance of the Bonds. 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., Central Time, on Tuesday, December 21, 2021, at the offices of Armstrong Teasdale LLP, Kansas City, Missouri, and by telephone. The items set forth on the Closing List will be examined, assembled and incorporated in the transcripts evidencing the authorization and issuance of the Bonds. Copies of the transcript will be prepared and distributed to the following:

1. City of Gladstone, Missouri (“City”)
2. Parkside Investors, LLC (“Company” and “Purchaser”)
3. Security Bank of Kansas City (“Trustee”)
4. Armstrong Teasdale LLP (“Bond Counsel”)
5. Withers, Brant, Igoe & Mullennix, P.C. (“Company’s Counsel”)

\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021

Closing Date: December 21, 2021

CLOSING LIST

Document
No.

BASIC DOCUMENTS

1. Trust Indenture.
2. Lease Agreement; Memorandum of Lease Agreement.
3. Bond Purchase Agreement with Certificate as to Closing Price.
4. Performance Agreement; Memorandum of Performance Agreement.
5. Specimen Bond.

CITY'S PROCEEDINGS AND CLOSING DOCUMENTS

6. City's Closing Certificate.
7. Notice to Taxing Jurisdiction of the proposed Plan for Industrial Development Project and Cost-Benefit Analysis (the "Plan") for the Project; Proof of mailing to taxing jurisdictions.
8. Excerpt of Minutes of Meeting of the City Council showing public hearing, first reading, second reading and passage of Ordinance No. 4.577 on December 13, 2021.
9. Ordinance No. 4.577 approving a Chapter 100 Plan for the Project, and authorizing the issuance of the Bonds.
10. Municipality Annual Activity Report pursuant to Section 100.105, RSMo.

COMPANY'S PROCEEDINGS AND DOCUMENTS

11. Company's Closing Certificate, with the following exhibits attached:
 - Exhibit A – Missouri Certificate of Good Standing.
 - Exhibit B – Articles of Organization.
 - Exhibit C – Operating Agreement.
12. Company's Resolutions.
13. Purchaser's Receipt and Representation Letter.
14. Quit Claim Deed.
15. Special Warranty Deed.
16. Requisition Certificate No. 1.
17. Requisition Certificate No. 2.
18. Insurance Certificates.
19. Company's Affidavit re: Company's enrollment and participation in a "federal work authorization program"; and E-Verify Program for Employment Verification Memorandum of Understanding.

TRUSTEE'S CLOSING DOCUMENT

20. Trustee's Closing Certificate.

MISCELLANEOUS CLOSING DOCUMENTS

21. Owner's Policy of Title Insurance
22. Recording Memorandum.

LEGAL OPINIONS

23. Approving Legal Opinion of Bond Counsel.
24. Opinion of Company's Counsel.
25. Opinion of City's Counsel.

* * *

CITY OF GLADSTONE, MISSOURI,

AND

**SECURITY BANK OF KANSAS CITY,
as Trustee**

TRUST INDENTURE

Dated as of December 1, 2021

Relating to:

**\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

TRUST INDENTURE

TABLE OF CONTENTS

Page

Parties 1
Recitals 1
Granting Clauses 2

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms 3
Section 102. Rules of Interpretation 8

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds 9
Section 202. Nature of Obligation 9
Section 203. Denomination, Number and Dating of the Bonds 9
Section 204. Method and Place of Payment of Bonds 9
Section 205. Execution and Authentication of Bonds 10
Section 206. Registration, Transfer and Exchange of Bonds 10
Section 207. Persons Deemed Owners of Bonds 11
Section 208. Authorization of the Bonds 11
Section 209. Mutilated, Lost, Stolen or Destroyed Bonds 13
Section 210. Cancellation and Destruction of Bonds Upon Payment 13

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds 14
Section 302. Effect of Call for Redemption 14
Section 303. Notice of Redemption 14

ARTICLE IV

FORM OF BONDS

Section 401. Form Generally 15

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds 15
Section 502. Deposits into the Project Fund 15
Section 503. Disbursements from the Project Fund 15

Section 504.	Completion of the Project.....	16
Section 505.	Deposits into and Disbursements from the Costs of Issuance Fund.....	16
Section 506.	Disposition Upon Acceleration.....	16

ARTICLE VI

REVENUES AND FUNDS

Section 601.	Deposits Into the Bond Fund.....	16
Section 602.	Application of Moneys in the Bond Fund	17
Section 603.	Payments Due on Days Other Than Business Days	17
Section 604.	Nonpresentment of Bonds	17

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701.	Moneys to be Held in Trust	18
Section 702.	Investment of Moneys in Project Fund and Bond Fund	18
Section 703.	Record Keeping	18

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 801.	Payment of Principal and Interest.....	19
Section 802.	Authority to Execute Indenture and Issue Bonds	19
Section 803.	Performance of Covenants.....	19
Section 804.	Instruments of Further Assurance.....	19
Section 805.	Recordings and Filings	19
Section 806.	Inspection of Project Books.....	19
Section 807.	Enforcement of Rights Under the Lease.....	20

ARTICLE IX

DEFAULT AND REMEDIES

Section 901	Events of Default; Notice; Opportunity to Cure.....	20
Section 902.	Acceleration of Maturity in Event of Default.....	20
Section 903.	Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession.....	21
Section 904.	Appointment of Receivers in Event of Default	21
Section 905.	Exercise of Remedies by the Trustee.....	21
Section 906.	Limitation on Exercise of Remedies by Owners	22
Section 907.	Right of Owners to Direct Proceedings	22
Section 908.	Application of Moneys in Event of Default	23
Section 909.	Remedies Cumulative.....	24
Section 910.	Waivers of Events of Default.....	24

ARTICLE X

THE TRUSTEE

Section 1001.	Acceptance of the Trusts.....	24
---------------	-------------------------------	----

Section 1002.	Fees, Charges and Expenses of the Trustee	26
Section 1003.	Notice to Owners if Default Occurs	27
Section 1004.	Intervention by the Trustee	27
Section 1005.	Successor Trustee Upon Merger, Consolidation or Sale	27
Section 1006.	Resignation of Trustee	27
Section 1007.	Removal of Trustee.....	27
Section 1008.	Appointment of Successor Trustee.....	28
Section 1009.	Vesting of Trusts in Successor Trustee	28
Section 1010.	Right of Trustee to Pay Taxes and Other Charges	28
Section 1011.	Trust Estate May be Vested in Co-Trustee.....	29
Section 1012.	Accounting	29
Section 1013.	Performance of Duties Under the Lease.....	29

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101.	Supplemental Indentures Not Requiring Consent of Owners.....	29
Section 1102.	Supplemental Indentures Requiring Consent of Owners.....	30
Section 1103.	Company's Consent to Supplemental Indentures	31
Section 1104.	Opinion of Counsel.....	31

ARTICLE XII

SUPPLEMENTAL LEASES

Section 1201.	Supplemental Leases Not Requiring Consent of Owners.....	31
Section 1202.	Supplemental Leases Requiring Consent of Owners.....	31
Section 1203.	Opinion of Counsel.....	31

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301.	Satisfaction and Discharge of this Indenture	32
Section 1302.	Bonds Deemed to be Paid.....	32

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401.	Consents and Other Instruments by Owners	33
Section 1402.	Limitation of Rights Under this Indenture	33
Section 1403.	Notices.....	33
Section 1404.	Severability.....	35
Section 1405.	Execution in Counterparts	35
Section 1406.	Governing Law	35
Section 1407.	Electronic Storage	35
Section 1408.	City Consent	35
	Signatures and Seal.....	S-1

- Exhibit A: Project Site
- Exhibit B: Project Improvements
- Exhibit C: [Reserved]
- Exhibit D: Form of Bonds
- Exhibit E: Form of Representation Letter

TRUST INDENTURE

THIS TRUST INDENTURE dated as of December 1, 2021 (the “**Indenture**”), is between the **CITY OF GLADSTONE, MISSOURI**, a third class city and political subdivision duly organized and existing under the laws of the State of Missouri (the “**City**”), and **SECURITY BANK OF KANSAS CITY**, Kansas City, Kansas, a state 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 Kansas, with a corporate trust office located in Kansas City, Kansas, as Trustee (the “**Trustee**”);

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “**Act**”), to purchase, construct, extend and improve certain projects (as defined in Section 100.010 of the Revised Statutes of Missouri, as amended) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or businesses for manufacturing, commercial, research and development, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Following notice to affected taxing jurisdictions in accordance with Section 100.059.1 of the Act, the City Council approved a Bill on December 13, 2021, that was adopted and approved as Ordinance No. 4.577 (the “**Ordinance**”) on December 13, 2021, (i) approving a plan for the Company’s economic development project proposed by Parkside Investors, LLC (the “**Company**”), and (ii) authorizing the issuance of not to exceed \$35,380,000 principal amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021 (the “**Bonds**”), to pay the costs of a portion of the Project (defined below) consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds (collectively, the “**Project Improvements**,” as more fully described on **Exhibit B** hereto), located on certain real property in the City (the “**Project Site**,” as more fully described on **Exhibit A** hereto).

3. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) this Trust Indenture for the purpose of issuing and securing the Bonds, (b) the Lease Agreement (defined herein) with the Company, as lessee, under which the City, as lessor, will lease the Project Site to the Company (in consideration of rental payments that will be sufficient to pay the principal of and interest on the Bonds) and cause the Company to acquire, construct, improve, and otherwise perform the Project Improvements (collectively, the “**Project**”), and (c) the Performance Agreement (defined herein) for the purpose of setting forth the terms and conditions of the Project’s exemption from *ad valorem* real property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

4. All things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid and legally binding obligations of the City, and to constitute this Indenture a valid and legally binding pledge and assignment of the Trust Estate (as defined herein) herein made for the security of the payment of the principal of and interest on the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners (defined herein) thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the City of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby pledge and assign to the Trustee and its successors and assigns forever, the property described in paragraphs (a), (b) and (c) below (said property being herein referred to as the “**Trust Estate**”), to-wit:

(a) All right, title and interest of the City in and to the Project, subject to the Company’s rights under the Lease, together with the tenements, hereditaments, appurtenances, rights, easements, privileges and immunities thereunto belonging or appertaining and, to the extent permissible, all permits, certificates, approvals and authorizations;

(b) All right, title and interest of the City in, to and under the Lease (excluding Unassigned Rights), and all rents, revenues and receipts derived by the City from the Project including, without limitation, all rentals and other amounts to be received by the City and paid by the Company under and pursuant to and subject to the provisions of the Lease; and

(c) All moneys and securities from time to time held by or now or hereafter required to be paid to the Trustee under the terms of this Indenture, and any and all other real or 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 and for additional security hereunder by the City or by anyone in its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby pledged and assigned 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, for the equal and proportionate benefit, protection and security of all Owners from time to time of the Bonds Outstanding under this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the City pays, or causes to be paid, the principal of and interest on the Bonds, at the time and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XIII** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due 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 and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City does hereby agree and covenant with the Trustee and with the respective Owners from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined in **Section 1.1** of the Lease, which definitions shall be deemed to be incorporated herein, and terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

“Act” means, collectively, Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended.

“Additional Rent” means the additional rental described in **Section 5.2** of the Lease.

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

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

“Basic Rent” means the rental described in **Section 5.1** of the Lease.

“Bond” or **“Bonds”** means the Taxable Industrial Development Revenue Bonds (Parkside Investors Project), issued, authenticated and delivered under and pursuant to this Indenture, including an initial series of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in the maximum aggregate principal amount of \$35,380,000.

“Bond Fund” means the “City of Gladstone, Missouri, Bond Fund – Parkside Investors, LLC” created in **Section 501** of this Indenture.

“Bond Purchase Agreement” means the agreement by that name with respect to the Bonds by and between the City and the Purchaser.

“Business Day” means any day other than a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the principal corporate trust office or the principal payment office of the Trustee are required or authorized by law to remain closed.

“**City**” means the City of Gladstone, Missouri, a third class city duly organized and existing under the laws of the State of Missouri, and its successors and assigns.

“**Closing Date**” means the date identified in the Bond Purchase Agreement for the initial issuance and delivery of the Bonds.

“**Closing Price**” means the amount specified in writing by the Purchaser and agreed to by the City as the amount required to pay for the initial issuance of the Bonds on the Closing Date, which amount shall be equal to any Project Costs spent by the Company from its own funds before the Closing Date, including costs of issuance.

“**Commercial Lending Bank**” means First Missouri Bank, with an office located in Kansas City, Missouri.

“**Company**” means Parkside Investors, LLC, a Missouri limited liability company, and its successors or assigns.

“**Completion Date**” means the dates of execution of the certificates with respect to each component portion of the Project and the date of execution of the certificate with respect to the entire Project required by **Section 4.5** of the Lease and **Section 504** of this Indenture and filed with the Trustee.

“**Costs of Issuance Fund**” means the “City of Gladstone, Missouri, Costs of Issuance Fund – Parkside Investors, LLC” created in **Section 501** hereof.

“**Cumulative Outstanding Principal Amount**” means the aggregate principal amount of all Bonds Outstanding under the provisions of this Indenture, not to exceed \$35,380,000, as reflected in the records maintained by the Trustee as provided in the Bonds and this Indenture.

“**Event of Default**” means, with respect to this Indenture, any Event of Default as defined in **Section 901** hereof and, with respect to the Lease, any Event of Default as described in **Section 12.1** of the Lease.

“**Financing Document**” means the Leasehold Mortgage, and any other loan agreement, credit agreement, security agreement, mortgage, participation agreement, lease agreement, sublease, ground lease, hedging agreement, assignment of leases and/or rents or other document executed by or on behalf of the Company or any related party for the benefit of a Financing Party.

“**Financing Party**” means Commercial Lending Bank or any other Person providing debt, lease or equity financing (including equity contributions or commitments) or hedging arrangements, or any renewal, extension or refinancing of any such financing or hedging arrangements, or any guarantee, insurance, letters of credit or credit support for or in connection with such financing or hedging arrangements, in connection with the development, construction, ownership, lease, operation or maintenance of the Project or interests or rights in the Lease, or any part thereof, including any trustee or agent acting on any such Person’s behalf.

“**Government Securities**” means direct obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“**Indenture**” means this Trust Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of **Article XI** hereof.

“Investment Securities” means any of the following securities:

- (a) Government Securities;
- (b) 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;
- (c) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under this Indenture such obligations are rated in either of the two highest rating categories by a nationally-recognized bond rating agency;
- (d) certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee or any of its affiliates), provided that such certificates of deposit 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 (c), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be deposited with the Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding each such certificate of deposit required to be so secured shall furnish the Trustee written evidence satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;
- (e) shares of a fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000, and which shares, at the time of purchase, are rated by S&P and Moody’s in one of the two highest rating categories (without regard to any refinements or gradation of rating category by numerical modifier or otherwise) assigned by such rating agencies for obligations of that nature; or
- (f) any other investment approved in writing by the Authorized City Representative and the Owners of all of the Outstanding Bonds.

“Lease” means the Lease Agreement dated as of December 1, 2021, between the City, as lessor, and the Company, as lessee, as from time to time amended and supplemented by Supplemental Leases in accordance with the provisions thereof and of **Article XII** of this Indenture.

“Lease Term” means the period from the effective date of the Lease until the expiration thereof pursuant to **Section 3.2** of the Lease.

“Leasehold Mortgage” means any leasehold mortgage, leasehold deed of trust, assignment of rents and leases, security agreement or other agreement relating to the Project permitted pursuant to the provisions of **Section 10.4** of the Lease.

“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” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

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

- (a) Bonds subsequently cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of **Section 1302** hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

“**Owner**” or “**Owners**” means the registered owner of any Bond as recorded on the bond registration records maintained by the Trustee.

“**Paying Agent**” means the Trustee and any other bank or trust company designated by this Indenture as paying agent for the Bonds at which the principal of or interest on the Bonds shall be payable.

“**Payment Date**” means the date on which principal or interest on any Bond, whether at the stated maturity thereof or the redemption date thereof, is payable, which shall be December 1 of each year that the Bonds are Outstanding.

“**Performance Agreement**” means the Performance Agreement dated as of December 1, 2021, between the City and the Company, as amended and supplemented from time to time.

“**Permitted Encumbrances**” means, as of any particular time, as the same may encumber the Project Site (a) liens for *ad valorem* taxes and special assessments not then delinquent, (b) the Indenture, the Lease and the Performance Agreement, (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the City, (d) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project Site and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the City, (e) liens or security interests granted pursuant to any Leasehold Mortgage or any other Financing Document, and (f) such exceptions to title set forth in the Owner’s Policy of Title Insurance issued by Old Republic National Title Insurance Company.

“**Person**” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, bank, insurance company, unincorporated association, joint venture or other entity of whatever nature.

“**Project**” means the project referred to in the recitals of this Indenture, including the Project Site, the Project Improvements, and all additions, modifications, improvements, replacements and substitutions made to the Project pursuant to the Lease as they may at any time exist.

“Project Costs” means all costs of purchase, construction, improvement and installation of the Project, including the following:

(a) all costs and expenses necessary or incident to the construction and improvement of the Project Improvements located on the Project Site, which the Company conveys to the City;

(b) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of professionals and consultants in relation to the purchase, construction, improvement and installation of the Project or the issuance of the Bonds;

(c) all costs and expenses of every nature incurred in constructing and improving the Project Improvements and otherwise improving the Project Site, including the actual cost of labor and materials, machinery, furnishings and equipment as payable to contractors, builders and materialmen in connection with the purchase, construction, improvement and installation of the Project;

(d) interest accruing on the Bonds during the construction period of the Project;

(e) the cost of title insurance policies and the cost of any other insurance maintained during the construction period in accordance with **Article VII** of the Lease;

(f) reasonable expenses of administration, supervision and inspection properly chargeable to the Project, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses, and initial fees and expenses of the Trustee to the extent that said fees and expenses are necessary or incident to the issuance and sale of the Bonds or the purchase, construction, improvement and installation of the Project;

(g) all other items of expense not elsewhere specified in this definition as may be necessary or incident to: (1) the authorization, issuance and sale of the Bonds, including costs of issuance of the Bonds; (2) the purchase, construction, improvement and installation of the Project; and (3) the financing thereof; and

(h) reimbursement to the Company or those acting for it for any of the above enumerated costs and expenses incurred and paid by them before or after the execution of the Lease.

“Project Fund” means the “City of Gladstone, Missouri, Project Fund – Parkside Investors, LLC” created in **Section 501** hereof.

“Project Improvements” means the buildings, structures, improvements and fixtures to be purchased, constructed, installed and otherwise improved on the Project Site pursuant to **Article IV** of the Lease and paid for in whole or in part from the proceeds of Bonds, as described in **Exhibit B** attached hereto, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease.

“Project Site” means all of the real estate as described in **Exhibit A** attached hereto and by this reference made a part hereof.

“Purchaser” means the entity identified in the Bond Purchase Agreement as the purchaser of the Bonds.

“S&P” means Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authorized Company Representative.

“State” means the State of Missouri.

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

“Supplemental Lease” means any supplement or amendment to the Lease entered into pursuant to **Article XII** hereof.

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

“Trustee” means Security Bank of Kansas City, Kansas City, Kansas, a state 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 its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as Trustee under this Indenture.

“Unassigned Rights” means the City’s rights under the Lease to receive moneys for its own account and the City’s rights to indemnification or to be protected from liabilities by insurance policies required by the Lease, as provided in the Lease.

Section 102. Rules of Interpretation.

(a) Unless the context shall otherwise indicate, the 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.

(b) Wherever in this Indenture 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.

(c) All references in this instrument 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 Indenture as a whole and not to any particular Article, Section or subdivision.

(d) 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.

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

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as “City of Gladstone, Missouri, Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021.” The maximum total principal amount of Bonds that may be issued hereunder is hereby expressly limited to \$35,380,000 in one or more series of Bonds.

Section 202. Nature of Obligation. The Bonds and the interest thereon shall be special obligations of the City payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease, and not from any other fund or source of the City. The Bonds are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners, as provided in this Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State or any political subdivision thereof, and neither the City, the State or related political subdivision thereof shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 203. Denomination, Number and Dating of the Bonds.

(a) The Bonds shall be issuable in the form of one fully-registered Bond, in substantially the form set forth in **Exhibit D** hereto, in the denomination of \$0.01 or any multiple thereof.

(b) The Bonds shall be dated by the Trustee as of the date of initial delivery thereof as provided herein. If the Bonds are at any time thereafter transferred, any replacement Bonds shall be dated as of the date of authentication thereof.

Section 204. Method and Place of Payment of Bonds.

(a) The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for payment of public and private debts.

(b) Payment of the principal of the Bonds shall be made upon the presentation and surrender of such Bonds at the principal payment office of any Paying Agent named in the Bonds. The payment of principal on the Bonds shall be noted on the Bonds on **Schedule I** thereto and the registration books maintained by the Trustee pursuant to **Section 206** hereof. Payment of the interest on the Bonds shall be made by the Trustee on each Payment Date to the Person appearing on the registration books of the Trustee hereinafter provided for as the Owner thereof on the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Payment Date by check or draft mailed to such Owner at such Owner’s address as it appears on such registration books.

(c) The Bonds and the original **Schedule I** thereto shall be held by the Trustee in trust, unless otherwise directed in writing by the Owner. If the Bonds are held by the Trustee, the Trustee shall, on each Payment Date, send a revised copy of **Schedule I** via facsimile or other electronic means to the Owner, the Company (if not the Owner) and the City. Absent manifest error, the amounts shown on

Schedule I as noted by the Trustee shall be conclusive evidence of the principal amount paid on the Bonds.

(d) If there is one Owner of the Bonds, the Trustee is authorized to make the final or any interim payments of principal on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated in writing by such Owner and located in the continental United States. The Trustee is also authorized to make interest payments on such Bonds by internal bank transfer or by electronic transfer to an account at a commercial bank or savings institution designated by such Owner and located in the continental United States.

(e) If the Company is the sole Owner of the Bonds, then the Company may set-off its obligation to the City as lessee under the Lease against the City's obligations to the Company as the bondholder under this Indenture. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred. On the final Payment Date, the Company may deliver to the Trustee for cancellation the Bonds and the Company shall receive a credit against the Basic Rent payable by the Company under **Section 5.1** of the Lease in an amount equal to the remaining principal on the Bond so tendered for cancellation plus accrued interest thereon.

Section 205. Execution and Authentication of Bonds.

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

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit D** hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purposes until such Certificate of Authentication has been duly executed by the Trustee. The executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee.

Section 206. Registration, Transfer and Exchange of Bonds.

(a) The Trustee shall keep books for the registration and for the transfer of Bonds as provided in this Indenture.

(b) The Bonds may be transferred in whole only and only upon the books kept for the registration and transfer of Bonds upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. In connection with any such transfer of the Bonds, the City and the Trustee shall receive an executed representation letter signed by the proposed assignee in substantially the form of **Exhibit E** hereto. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new fully registered Bond, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture, in an aggregate principal amount equal to the outstanding principal amount of such Bond, of

the same maturity and bearing interest at the same rate. Notwithstanding the foregoing: (i) the parties acknowledge that the Company, in its capacity as owner of the Bonds, has transferred and assigned the Bonds (and will continue to transfer and assign subsequently acquired Bonds) to the Commercial Lending Bank as additional security for the debt evidenced and secured by the Leasehold Mortgage; (ii) such transfer and security interest in favor of Commercial Lending Bank shall be indicated in the registration books maintained by the Trustee; and (iii) any original Bond certificates will contain a legend indicating the interest of Commercial Lending Bank and will be delivered to Commercial Lending Bank.

(c) In all cases in which Bonds are exchanged or transferred hereunder the provisions of any legend restrictions on the Bonds shall be complied with and the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. The City or the Trustee may make a reasonable charge for every such exchange or transfer of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such new Bond shall be delivered. Except in the case of a request made by a Financing Party, neither the City nor the Trustee shall be required to make any such exchange or transfer of Bonds during the 15 days immediately preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

(d) If any Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure, which amount may be deducted by the Trustee from amounts otherwise payable to such Owner under such Owner's Bond.

Section 207. Persons Deemed Owners of Bonds. As to any Bond, the Person in whose name the same is registered as shown on the bond registration books required by **Section 206** hereof shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Owner thereof or a legal representative thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 208. Authorization of the Bonds.

(a) The Bonds are authorized in the aggregate maximum principal amount of \$35,380,000 for the purpose of providing funds to pay the costs of the Project, which Bonds shall be designated "City of Gladstone, Missouri, Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021." The Bonds shall be dated as provided in **Section 203(b)** hereof, shall become due on December 1, 2042 (subject to prior redemption as provided in **Article III** hereof) and shall bear interest as specified in **Section 208(f)** hereof, payable on the dates specified in **Section 208(f)** hereof.

(b) The Trustee is hereby designated as the Paying Agent. The Owners of a majority of Bonds then Outstanding may designate a different Paying Agent upon written notice to the City and the Trustee.

(c) The Bonds shall be executed without material variance from the form and in the manner set forth in **Exhibit D** hereto and delivered to the Trustee for authentication. Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee the following:

(1) An original or certified copy of the ordinance passed by the City Council authorizing the issuance of the Bonds and the execution of this Indenture, the Performance Agreement, the Bond Purchase Agreement and the Lease;

(2) Original executed counterparts of this Indenture, the Lease, the Performance Agreement and the Bond Purchase Agreement;

(3) A representation letter from the Purchaser in substantially the form attached as **Exhibit E** hereto;

(4) A request and authorization to the Trustee on behalf of the City, executed by the Authorized City Representative, to authenticate the Bonds and deliver the same to or at the direction of the Purchaser upon payment to the Trustee, for the account of the City, of the purchase price thereof specified in the Bond Purchase Agreement. The Trustee shall be entitled to conclusively rely upon such request and authorization as to names of the purchaser and the amount of such purchase price;

(5) An opinion of counsel nationally recognized on the subject of municipal bonds to the effect that the Bonds constitute valid and legally binding limited and special revenue obligations of the City;

(6) An opinion of counsel nationally recognized on the subject of municipal bonds stating that the Bonds 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; and

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

(d) When the documents specified in subsection (c) of this Section have been filed with the Trustee, and when the Bonds have been executed and authenticated as required by this Indenture, either:

(1) The Purchaser shall pay the Closing Price to the Trustee, and the Trustee shall endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to or upon the order of the Purchaser; or

(2) The Company shall submit a requisition certificate in accordance with **Section 4.4** of the Lease, in an amount equal to the Closing Price, and the Trustee shall authenticate and endorse the Bonds in an amount equal to the Closing Price and then either hold the Bonds in trust or if so directed in writing deliver the Bonds to the Company (or another purchaser designated by the Company).

In either case, the Purchaser shall be deemed to have paid over to the Trustee, and the Trustee shall be deemed to have deposited into the Project Fund, an amount equal or up to the Closing Price.

(e) Following the initial issuance and delivery of the Bonds, the Company may submit additional requisition certificates in accordance with **Section 4.4** of the Lease, and the Trustee shall endorse the Bonds in an amount equal to the amount set forth in each requisition certificate. The date of endorsement of each Principal Amount Advanced as set forth on **Schedule I** to the Bonds shall be the date of the City's approval of each requisition certificate. The Trustee shall keep a record of the total

requisitions submitted for the Project, and shall notify the City if the requisitions submitted exceed the maximum principal amount of the Bonds.

(f) The Bonds shall bear interest at the rate of six percent (6.00%) per annum on the Cumulative Outstanding Principal Amount of the Bonds. Such interest shall be payable in arrears on each December 1, commencing on December 1, 2022, and continuing thereafter until the Cumulative Outstanding Principal Amount is paid in full, but not later than December 1, 2042. Interest shall be calculated on the basis of a year of 360 days consisting of twelve months of 30 days each.

(g) The Trustee shall keep and maintain a record of the amount deposited or deemed to be deposited into the Project Fund pursuant to the terms of this Indenture as “Principal Amount Advanced” and shall enter the aggregate principal amount of the Bonds then Outstanding on its records as the “Cumulative Outstanding Principal Amount.” On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Owners, pursuant to the redemption provisions of this Indenture, the Trustee shall enter on its records the principal amount paid on the Bonds as “Principal Amount Redeemed,” and shall enter the then Outstanding principal amount of the Bonds as “Cumulative Outstanding Principal Amount.” The records maintained by the Trustee as to amounts deposited into the Project Fund or principal amounts paid on the Bonds shall be the official records of the Cumulative Outstanding Principal Amount for all purposes, absent manifest error, and shall be in substantially the form of the Table of Cumulative Outstanding Principal Amount as set out in the form of Bonds in **Exhibit D** hereto. If any moneys are deposited by the Trustee into the Project Fund, then the Trustee shall provide a statement of receipts and disbursements with respect thereto to the City and the Company on a monthly basis. After the Project has been completed and the certificate of payment of all costs is filed as provided in **Section 504** hereof, the Trustee, to the extent it has not already done so pursuant to this Section or **Section 1012** hereof, shall file a final statement of receipts and disbursements with respect thereto with the City and the Company.

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, or is lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like series, date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee to save each of the City and the Trustee harmless. If any such Bond has matured, instead of delivering a substitute Bond, the Trustee may pay the same without surrender thereof. Upon the issuance of any substitute Bond, the City and the Trustee may require the payment of an amount sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment.

(a) All Bonds which have been paid or redeemed or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be cancelled by the Trustee immediately upon the payment or redemption of such Bonds and the surrender thereof to the Trustee.

(b) All Bonds cancelled under any of the provisions of this Indenture shall be destroyed by the Trustee. The Trustee shall execute a certificate describing the Bonds so destroyed, and shall file executed counterparts of such certificate with the City and the Company.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) The Bonds are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease. If only a portion of the Bonds are to be redeemed, (1) Bonds aggregating at least 10% of the maximum aggregate principal amount of Bonds authorized hereunder shall not be subject to redemption and payment before the stated maturity thereof, and (2) the Trustee shall keep a record of the amount of Bonds to remain Outstanding following such redemption. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

(b) The Bonds are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to **Sections 9.1(b)** or **(f)** or **9.2(c)** of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph (b), money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

(c) In connection with a redemption under paragraphs (a) or (b) of this Section, at its option, the Company may deliver to the Trustee for cancellation any Bonds owned by the Company and not previously paid, and the Company shall receive a credit against the amounts payable by the Company for the redemption of such Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest.

Section 302. Effect of Call for Redemption. Before or on the date fixed for redemption, funds, Government Securities, or a combination thereof, shall be placed with the Trustee which are sufficient to pay the Bonds called for redemption and accrued interest thereon, if any, to the redemption date. Upon the happening of the above conditions and appropriate written notice having been given, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, and shall no longer be entitled to the protection, benefit or security of this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture. If the Bonds are fully redeemed before maturity and an amount of money equal to the Trustee's and the Paying Agent's agreed to fees and expenses hereunder accrued and to accrue in connection with such redemption is paid or provided for, the City shall, at the Company's direction, deliver to the Company the items described in **Section 11.2** of the Lease.

Section 303. Notice of Redemption. If the Bonds are to be called for redemption as provided in **Section 301(a)** hereof, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least ten (10) days before the scheduled redemption date. The Trustee shall then deliver written notice to the Owners at least five (5) days before the

scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid, unless such notice period is waived by the Owner in writing.

ARTICLE IV

FORM OF BONDS

Section 401. Form Generally. The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be issued in substantially the forms set forth in **Exhibit D**. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirements of law with respect thereto.

ARTICLE V

CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 501. Creation of Funds. There are hereby created and ordered to be established in the custody of the Trustee the following separate special trust funds in the name of the City:

(a) "City of Gladstone, Missouri, Project Fund – Parkside Investors, LLC" (herein called the "Project Fund");

(b) "City of Gladstone, Missouri, Costs of Issuance Fund – Parkside Investors, LLC" (herein called the "Costs of Issuance Fund"); and

(c) "City of Gladstone, Missouri, Bond Fund – Parkside Investors, LLC" (herein called the "Bond Fund").

Section 502. Deposits into the Project Fund. The proceeds of the sale of the Bonds (whether actually paid or deemed paid under **Section 208(d)** and **(e)** hereof), including Additional Payments provided for in the Bond Purchase Agreement, when received, excluding such amounts required to be paid into the Bond Fund pursuant to **Section 601** hereof, shall be deposited by the Trustee into the Project Fund. Any money received by the Trustee from any other source for the purpose of purchasing, constructing and installing the Project shall pursuant to any directions from the Person depositing such moneys also be deposited into the Project Fund.

Section 503. Disbursements from the Project Fund.

(a) The moneys in the Project Fund shall be disbursed by the Trustee for the payment of, or reimbursement to the Company (or any other party that has made payment on behalf of the Company) for payment of, Project Costs upon receipt of requisition certificates signed by the Company in accordance with the provisions of **Article IV** of the Lease. The Trustee hereby covenants and agrees to disburse such moneys in accordance with such provisions.

(b) If, pursuant to **Section 208(d)** and **(e)** hereof, the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company in accordance with the provisions of **Article IV** of the Lease, the Trustee shall upon endorsement of the

Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

(c) In paying any requisition under this Section, the Trustee may rely as to the completeness and accuracy of all statements in such requisition certificate if such requisition certificate is signed by the Authorized Company Representative. If the City so requests in writing, a copy of each requisition certificate submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the City. The City hereby authorizes and directs the Trustee to make disbursements in the manner and as provided for by the aforesaid provisions of the Lease.

Section 504. Completion of the Project. The completion of the acquisition, construction, improvement and installation of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the certificate required by the provisions of **Section 4.5** of the Lease. As soon as practicable after the Completion Date any balance remaining in the Project Fund shall without further authorization be transferred by the Trustee to the Bond Fund and applied as provided in **Section 4.6** of the Lease.

Section 505. Deposits into and Disbursements from the Costs of Issuance Fund. Money deposited by the Company in the Costs of Issuance Fund shall be used solely to pay costs of issuing the Bonds or refunded to the Company as hereinafter provided. The Trustee shall without further authorization disburse from the Costs of Issuance Fund, to the extent available, money sufficient to pay the amounts shown in a closing memorandum provided to the Trustee on or before the date of delivery of the Bonds, which shall have attached thereto the statements, invoices and related items described in said closing memorandum. The Trustee may rely conclusively on the amounts due as shown in the closing memorandum and will not be required to make any independent inspection or investigation in connection therewith.

Section 506. Disposition Upon Acceleration. If the principal of the Bonds has become due and payable pursuant to **Section 902** hereof, upon the date of payment by the Trustee of any moneys due as provided in **Article IX** hereof, any balance remaining in the Project Fund shall without further authorization be deposited in the Bond Fund by the Trustee, with advice to the City and to the Company of such action.

ARTICLE VI

REVENUES AND FUNDS

Section 601. Deposits Into the Bond Fund.

(a) The Trustee shall deposit into the Bond Fund, as and when received, (a) all accrued interest on the Bonds, if any, paid by the Purchaser; (b) all Basic Rent payable by the Company to the City specified in **Section 5.1** of the Lease; (c) any Additional Rent payable by the Company specified in **Section 5.2** of the Lease; (d) any amount in the Project Fund to be transferred to the Bond Fund pursuant to **Section 504** hereof upon completion of the Project or pursuant to **Section 506** hereof upon acceleration of the Bonds; (e) the balance of any Net Proceeds (as defined in the Lease) of condemnation awards or insurance received by the Trustee pursuant to **Article IX** of the Lease; (f) the amounts to be deposited in the Bond Fund pursuant to **Sections 9.1(f)** and **9.2(c)** of the Lease; (g) all interest and other income derived from investments of Bond Fund moneys as provided in **Section 702** hereof; and (h) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when

accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) The Trustee shall notify the Company in writing, at least fifteen (15) days before each date on which a payment is due under **Section 5.1** of the Lease, of the amount that is payable by the Company pursuant to such Section.

Section 602. Application of Moneys in the Bond Fund.

(a) Except as provided in **Section 604** and **Section 908** hereof or in **Section 4.6(a)** of the Lease, moneys in the Bond Fund shall be expended solely for the payment of the principal of and the interest on the Bonds as the same mature and become due or upon the redemption thereof before maturity; provided, however, that any amounts received by the Trustee as Additional Rent under **Section 5.2** of the Lease and deposited to the Bond Fund as provided in **Section 601** above, shall be expended by the Trustee for such items of Additional Rent as they are received or due without further authorization from the City.

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

(c) Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding and to pay interest to accrue thereon before such redemption, the City covenants and agrees, upon request of the Company, to take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Company. The Trustee may use any moneys in the Bond Fund to redeem a part of the Bonds Outstanding in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest, if any, in all cases when such Bonds have not been presented for payment.

(d) After payment in full of the principal of and interest, if any, on the Bonds (or provision has been made for the payment thereof as provided in this Indenture), and the fees, charges and expenses of the Trustee, the City and any Paying Agent and any other amounts required to be paid under this Indenture, the Lease and the Performance Agreement, all amounts remaining in the Bond Fund shall be paid to the Company upon the expiration or sooner termination of the Lease.

Section 603. Payments Due on Days Other than Business Days. In any case where the date of maturity of principal of or interest, if any, on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal or interest, if any, 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 redemption, and no interest, if any, shall continue to accrue for the period after such date.

Section 604. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the City to the Owner thereof for the payment of such Bond 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 Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall without liability for interest thereon repay to the Company the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Company, and the Owner thereof shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Lease, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien hereof. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 702. Investment of Moneys in Project Fund and Bond Fund. Moneys held in the Project Fund and the Bond Fund shall, pursuant to written direction of the Company, signed by the Authorized Company Representative, be separately invested and reinvested by the Trustee in Investment Securities which mature or are subject to redemption by the Owner before the date such funds will be needed. If the Company fails to provide written directions concerning investment of moneys held in the Project Fund and the Bond Fund, the Trustee is authorized to invest in such Investment Securities specified in paragraph (e) of the definition of Investment Securities, provided they mature or are subject to redemption before the date such funds will be needed. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees and cash sweep account fees, which may be deducted from income earned on investments; provided that any such fees shall not exceed the interest income on the investment. Any such 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, and 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. After the Trustee has notice pursuant to **Section 1001(h)** hereof of the existence of an Event of Default, the Trustee shall direct the investment of moneys in the Bond Fund and the Project Fund. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities whenever the cash balance in any Fund is insufficient for the purposes of such Fund. In determining the balance in any Fund, investments in such Fund shall be valued at the lower of their original cost or their fair market value as of the most recent Payment Date. The Trustee may make any and all investments permitted by the provisions of this Section through its own bond department or any affiliate or short-term investment department.

Section 703. Record Keeping. The Trustee shall maintain records designed to show compliance with the provisions of this Article and with the provisions of **Article VI** hereof for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

Section 801. Payment of Principal and Interest. The City covenants and agrees that it will, but solely from the rents, revenues and receipts derived from the Project and the Lease as described herein, deposit or cause to be deposited in the Bond Fund sufficient sums payable under the Lease promptly to meet and pay the principal of and the interest on the Bonds as they become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Nothing herein shall be construed as requiring the City to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 802. Authority to Execute Indenture and Issue Bonds. The City covenants that it is duly authorized under the Constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

Section 803. Performance of Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its governing body pertaining thereto. The Trustee may take such action as it deems appropriate to enforce all such covenants, undertakings, stipulations and provisions of the City hereunder.

Section 804. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the property and revenues herein described to the payment of the principal of and interest, if any, on the Bonds. The City covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the rents, revenues and receipts derived therefrom or from the Lease, or of its rights under the Lease.

Section 805. Recordings and Filings. The City shall file or cause to be kept and filed all financing statements, and hereby authorizes the Trustee to file or cause to be kept and filed continuation statements with respect to such originally filed financing statements related to this Indenture and all supplements hereto and such other documents as may be required under the Uniform Commercial Code in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder. The City will cooperate in causing this Indenture and all Supplemental Indentures, the Lease and all Supplemental Leases and all other security instruments to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the Owners and the rights of the Trustee hereunder.

Section 806. Inspection of Project Books. The City covenants and agrees that all books and documents in its possession relating to the Project and the rents, revenues and receipts derived from the Project shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 807. Enforcement of Rights Under the Lease. The Trustee, as assignee, transferee, pledgee, and owner of a security interest under this Indenture, in its name or in the name of the City, may enforce all assigned rights of the City and the Trustee and all obligations of the Company under and pursuant to the Lease for and on behalf of the Owners, whether or not the City is in default hereunder.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Events of Default; Notice; Opportunity to Cure. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

- (a) Default in the due and punctual payment of the principal on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;
- (b) Default in the due and punctual payment of the interest on any Bond, whether at the stated maturity or accelerated maturity thereof, or at any date fixed for redemption thereof;
- (c) Default as specified in **Section 12.1** of the Lease has occurred; or
- (d) Default in the performance, or breach, of any other covenant or agreement under this Indenture.

No default specified above shall constitute an Event of Default until the City, the Trustee or the Owners of 25% in aggregate principal amount of all Bonds Outstanding has given actual notice of such default by registered or certified mail to the Company, and the Company has had 30 days after receipt of such notice to correct said default or cause said default to be corrected and has not corrected said default or caused said default to be corrected within such period; provided, however, if any such default (other than a default in the payment of any money) is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Company or the City (as the case may be) within such period and diligently pursued until the default is corrected.

Section 902. Acceleration of Maturity in Event of Default.

(a) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** hereof elapses, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the City and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest and all other amounts due hereunder shall thereupon become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds have matured by their terms, all overdue installments of principal and interest upon the Bonds, together with the reasonable and proper expenses of the Trustee, and all other sums then payable by the City under this Indenture are either paid or provisions satisfactory to the Trustee are made for such payment, then and in every such case the Trustee shall, but only with the approval of a majority of the Owners of the Bonds then Outstanding, rescind such declaration and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of rent payments on the Bonds as provided in **Section 12.2** of the Lease.

(c) In case of any rescission, then and in every such case the City, the Trustee, the Company and the Owners shall be restored to their former position and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

(d) Pursuant to **Section 12.2(b)** of the Lease, the City may give the Company written notice of intention to terminate the Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the Outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** of the Lease.

Section 903. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** hereof elapses, the City, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the City pertaining thereto, and including the rights and the position of the City under the Lease, and to hold, operate and manage the same, and from time to time make all needful repairs and improvements. The Trustee may lease the Project or any part thereof, in the name and for account of the City, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including without limitation (a) reasonable compensation to the Trustee, its agents and counsel, (b) any reasonable charges of the Trustee hereunder, (c) any taxes and assessments and other charges having a lien that is senior to the lien of this Indenture, (d) all expenses of such repairs and improvements and (e) any amounts payable under the Performance Agreement. The Trustee shall apply the remainder of the moneys so received in accordance with the provisions of **Section 908** hereof. Whenever all that is due upon the Bonds has been paid and all defaults cured, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default. While in possession of such property, the Trustee shall render annually to the City and the Company a summarized statement of receipts and expenditures in connection therewith.

Section 904. Appointment of Receivers in Event of Default. If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** elapses, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate or any part thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 905. Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding and all other amounts due hereunder, and to enforce and compel the performance of the duties and obligations of the City or the Company as herein set forth or as set forth in the Lease, respectively.

(b) If an Event of Default has occurred and is continuing after the notice and cure period described in **Section 901** hereof elapses, and if requested to do so by (1) the City (in the case of an Event of Default pursuant to **Section 12.1(b)** (but only as it relates to Unassigned Rights) or **(d)** of the Lease), or (2) the Owners of 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in subsection (l) of **Section 1001** hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient and in the interests of the City or the Owners, as the case may be.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owners, and any recovery of judgment shall, subject to the provisions of **Section 908** hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 906. Limitation on Exercise of Remedies by Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in **Section 1001(h)** hereof or of which by said subsection the Trustee is deemed to have notice, (b) such default has become an Event of Default, (c) the Owners of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee, have offered it reasonable opportunity either to proceed for such reasonable period not to exceed 60 days following such notice and to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and have offered to the Trustee indemnity as provided in **Section 1001(l)** hereof, and (d) the Trustee thereafter fails or refuses to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the City to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 907. Right of Owners to Direct Proceedings.

(a) The Owners of a majority in aggregate principal amount of Bonds then Outstanding may, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, including **Section 1001(l)** hereof.

(b) Notwithstanding any provision in this Indenture to the contrary, including paragraph (a) of this Section, the Owners shall not have the right to control or direct any remedies hereunder upon an Event of Default under **Section 12.1(b)** (but only with respect to Unassigned Rights) or **(d)** of the Lease.

Section 908. Application of Moneys in Event of Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of any obligations outstanding under the Lease and the Performance Agreement, of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including any attorneys fees and expenses) or amounts to be paid pursuant to **Section 903** hereof, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied as follows:

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST – To the payment to the Persons entitled thereto of all installments of interest, if any, then due and payable on the Bonds, in the order in which such installments of interest became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND – To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds 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.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest, if any, then due and unpaid on all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Person entitled thereto, without any discrimination or privilege.

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of **Section 910** hereof, then, subject to the provisions of subsection (2) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (1) of this Section.

(b) 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 such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment

Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

(c) Whenever all of the Bonds and interest thereon, if any, have been paid under the provisions of this Section, and all fees, expenses and charges of the City and the Trustee and any other amounts required to be paid under this Indenture and the Lease have been paid (including any amounts payable under the Performance Agreement), any balance remaining in the Bond Fund shall be paid to the Company as provided in **Section 602** hereof.

Section 909. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest, if any, on the Bonds, and only upon the written request of the Owners of at least 50% in aggregate principal amount of all the Bonds then Outstanding, provided, however, that (1) there shall not be waived without the consent of the City an Event of Default hereunder arising from an Event of Default under **Section 12.1(b)** (but only with respect to Unassigned Rights) or **(d)** of the Lease, and (2) there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds when due (whether at the date of maturity or redemption specified therein), or (b) any Event of Default in the payment when due of the interest on any such Bonds, unless before such waiver or rescission, all arrears of interest, or all arrears of payments of principal when due, as the case may be, and all reasonable expenses of the Trustee and the City (including reasonable attorneys' fees and expenses), in connection with such default, shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Company, the Trustee and the Owners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE X

THE TRUSTEE

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, before the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default has occurred and is continuing, subject to **Section 1001(I)** hereof, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, affiliates, attorneys or receivers and shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed or chosen by it with due care. The Trustee may conclusively rely upon and act or refrain from acting upon any opinion or advice of counsel, who may be counsel to the City or to the Company, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel addressed to the City and the Trustee.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or except as provided in the Lease and particularly **Section 10.8** thereof, for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of Uniform Commercial Code financing statements), or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with **Article VII** hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds with the same rights that it would have if it were not Trustee. The Trustee shall not be accountable for the use or application by the City or the Company of the proceeds of any of the Bonds or of any money paid to or upon the order of the City or Company under any provision of this Indenture.

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

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the Authorized City Representative or an Authorized Company Representative as sufficient evidence

of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

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

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made in **Article VI** hereof, unless the Trustee is specifically notified in writing of such default by the City or by the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding.

(i) At any and all reasonable times and subject to the Company's reasonable and standard security procedures, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may, but shall not be required, to inspect any and all of the Project, and all books, papers and records of the City pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired. The Trustee shall treat all proprietary information of the Company as confidential.

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

(k) The Trustee may, but shall not be required to, demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Notwithstanding anything in the Indenture or the Lease to the contrary, before taking any action under this Indenture other than the payments from moneys on deposit in the Project Fund or the Bond Fund, as provided herein, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all 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, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

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

Section 1002. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all

advances, agent and counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds. Pursuant to the provisions of **Section 5.2** of the Lease, the Company has agreed to pay to the Trustee all reasonable fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the City shall have no liability for any reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Lease. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred.

Section 1003. Notice to Owners if Default Occurs. If a default occurs of which the Trustee is by **Section 1001(h)** hereof required to take notice or if notice of default is given as in said subsection (h) provided, then the Trustee shall give written notice thereof to the last known Owners of all Bonds then Outstanding as shown by the bond registration books required by **Section 206** hereof to be kept at the corporate trust office of the Trustee.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners, the Trustee may intervene on behalf of Owners and, subject to the provisions of **Section 1001(i)** hereof, shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 1005. Successor Trustee Upon Merger, Consolidation or Sale. With the prior written consent of the Company, any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 1006. Resignation of Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the City, the Company and the Owners, and such resignation shall take effect at the end of such 30 days, or upon the earlier appointment of a successor Trustee by the Owners or by the City; provided, however, that in no event shall the resignation of the Trustee or any successor trustee become effective until such time as a successor trustee has been appointed and has accepted the appointment. If no successor has been appointed and accepted the appointment within 30 days after the giving of such notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 1007. Removal of Trustee. The Trustee may be removed at any time, with or without cause, by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the City and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then

Outstanding, or (b) so long as no Event of Default under this Indenture or the Lease shall have occurred and be continuing, delivered to the Trustee, the Company and the Owners and signed by the City.

Section 1008. Appointment of Successor Trustee. If the Trustee hereunder resigns or is removed, or otherwise becomes incapable of acting hereunder, or if it is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee (a) reasonably acceptable to the City may be appointed by the Company (so long as no Event of Default has occurred and is continuing), or (b) reasonably acceptable to the City and the Company may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy, the City, by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed in the manner above provided. Any such temporary Trustee so appointed by the City shall immediately and without further acts be superseded by the successor Trustee so appointed as provided above. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing and qualified to accept such trust with a corporate trust office in the State, and having, or whose obligations are guaranteed by a financial institution having, a reported capital, surplus and undivided profits of not less than \$50,000,000. If no successor Trustee has been so appointed and accepted appointment in the manner herein provided, the Trustee or any Owner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided.

Section 1009. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor and the duties and obligations of such predecessor hereunder shall thereafter cease and terminate; but such predecessor shall, nevertheless, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by any predecessor or successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 1010. Right of Trustee to Pay Taxes and Other Charges. If any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Lease, the Trustee may pay such tax, assessment or governmental charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of 10% per annum, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of or interest on the Bonds, and shall be paid out of the proceeds of rents, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 1011. Trust Estate May be Vested in Co-Trustee.

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

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

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

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

Section 1012. Accounting. The Trustee shall render an annual accounting for the period ending December 31 of each year, within 90 days following the end of such year, to the City, the Company and to any Owner requesting the same and, upon the request of the City, the Company or any Owner, a monthly accounting to any such party, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

Section 1013. Performance of Duties Under the Lease. The Trustee hereby accepts and agrees to perform all duties and obligations assigned to it under the Lease.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may from time to time, without the consent of or notice to any of the Owners, enter into such

Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture, or to make any other change which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Owners;
- (b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee or either of them;
- (c) To more precisely identify any portion of the Project or to add additional property thereto;
- (d) To conform the Indenture to amendments to the Lease made by the City and the Company; or
- (e) To subject to this Indenture additional revenues, properties or collateral.

Section 1102. Supplemental Indentures Requiring Consent of Owners.

(a) Exclusive of Supplemental Indentures covered by **Section 1101** hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, from time to time, anything contained in this Indenture to the contrary notwithstanding, consent to and approve the execution by the City and the Trustee of such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that without the consent of the Owners of 100% of the principal amount of the Bonds then Outstanding, nothing in this Section contained shall permit or be construed as permitting (1) an extension of the maturity or a shortening of the redemption date of the principal of or the interest, if any, on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, if any, or (3) a privilege or priority of any Bond over any other Bond, or (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

(b) If at the time the City requests the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Owner as shown on the bond registration books required by **Section 206** hereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article shall not become effective unless and until the Company and any Financing Party shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture (regardless of whether it affects the Company's rights) together with a copy of the proposed Supplemental Indenture to be mailed to the Company and any Financing Party at least 15 days before the proposed date of execution and delivery of the Supplemental Indenture.

Section 1104. Opinion of Counsel. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereof of the trusts created by this Indenture, the Trustee and the City shall receive, and, shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture and will, upon the execution and delivery thereof, be a valid and binding obligation of the City. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's rights, duties or immunities under this Indenture or otherwise.

ARTICLE XII

SUPPLEMENTAL LEASES

Section 1201. Supplemental Leases Not Requiring Consent of Owners. The City and the Trustee shall, without the consent of or notice to the Owners, consent to the execution of any Supplemental Lease or Supplemental Leases by the City and the Company as may be required (a) by the provisions of the Lease and this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease, (c) so as to more precisely identify the Project or add additional property thereto, or (d) in connection with any other change therein which, in the judgment of the Trustee, does not materially and adversely affect the Trustee or security for the Owners.

Section 1202. Supplemental Leases Requiring Consent of Owners. Except for Supplemental Leases as provided for in **Section 1201** hereof, neither the City nor the Trustee shall consent to the execution of any Supplemental Lease or Supplemental Leases by the City or the Company without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 1102** hereof. If at any time the City and the Company shall request the consent of the Trustee to any such proposed Supplemental Lease, the Trustee shall cause notice of such proposed Supplemental Lease to be mailed in the same manner as provided in **Section 1102** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease and shall state that copies of the same are on file in the corporate trust office of the Trustee for inspection by all Owners. If within 60 days or such longer period as may be prescribed by the City following the mailing of such notice, the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Lease shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1203. Opinion of Counsel. In executing or consenting to any Supplemental Lease permitted by this Article, the City and the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed to the Trustee and the City stating that the executing of such

Supplemental Lease is authorized or permitted by the Lease and this Indenture and the applicable law and will upon the execution and delivery thereof be valid and binding obligations of the parties thereof.

ARTICLE XIII

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1301. Satisfaction and Discharge of this Indenture.

(a) When the principal of and interest on all the Bonds have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1302** hereof, and provision also made for paying all other sums payable hereunder and under the Lease and the Performance Agreement, including the reasonable fees and expenses of the Trustee, the City and Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void. Thereupon, the Trustee shall cancel, discharge and release this Indenture and shall upon the written request of the City or the Company execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be required to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the City (subject to the City's obligations under **Section 11.2** of the Lease) any property at the time subject to this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Company under **Section 602** hereof and except funds or securities in which such funds are invested held by the Trustee for the payment of the principal of and interest on the Bonds.

(b) The City is hereby authorized to accept a certificate by the Trustee that the whole amount of the principal and interest, if any, so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with **Section 1302** hereof as evidence of satisfaction of this Indenture, and upon receipt thereof shall cancel and erase the inscription of this Indenture from its records.

Section 1302. Bonds Deemed to be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either (1) have been made or caused to be made in accordance with the terms thereof, or (2) have been provided for by depositing with the Trustee or other commercial bank or trust company having full trust powers and authorized to accept trusts in the State in trust and irrevocably set aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) Government Securities maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, or (3) have been provided for by surrendering the Bonds to the Trustee for cancellation. At such time as Bonds are deemed to be paid hereunder, as aforesaid, they shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of such payment from such moneys or Government Securities.

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

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

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1401. Consents and Other Instruments by Owners.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owners in Person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of ownership of a Bond) if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(ii) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Trustee pursuant to **Section 206** hereof.

(b) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Company shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded; provided, the foregoing provisions shall not be applicable if the Company is the only Owner of the Bonds. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and the pledgee is not the Company or any affiliate thereof.

Section 1402. Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, and the Owners, if any, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners, as herein provided.

Section 1403. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, the Company or

Owners if the same is duly mailed, postage prepaid, sent by overnight delivery or other delivery service, as follows:

(a) To the City:

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

With a copy to:

Armstrong Teasdale LLP
2345 Grand Blvd, Suite 1500
Kansas City, Missouri 64108
Attn: Rick McConnell

(b) To the Trustee:

Security Bank of Kansas City
701 Minnesota Ave
Kansas City, Kansas 66101
Attention: Corporate Trust Department

(c) To the Company:

Parkside Investors, LLC
1539 Swift Street
North Kansas City, Missouri 64116

With a copy to:

Withers, Brant, Igoe & Mullennix, P.C.
2 South Main
Liberty, Missouri 64068
Attn: ifreestone@withersbrant.com

(d) To the Owners if the same is duly mailed by first class, registered or certified mail addressed to each of the Owners of Bonds at the time Outstanding as shown by the bond registration books required by **Section 206** hereof to be kept at the corporate trust office of the Trustee.

All notices given by certified or registered mail as aforesaid shall be deemed fully given as of the date they are so mailed, provided that any of the foregoing given to the Trustee shall be effective only upon receipt. All notices given by overnight delivery or other delivery service shall be deemed fully given as of the date when received. A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Trustee to the other shall also be given to the Company; and a duplicate copy of each notice, certificate or other communication given to the Company shall also be delivered to the Commercial Lending Bank and each other Financing Party holding a recorded lien on the Project. The City, the Company and the Trustee may from time to time designate, by notice given

hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1404. Severability. If any provision of this Indenture shall be 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.

Section 1405. Execution in Counterparts. This Indenture 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 1406. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1407. Electronic Storage. The parties agree that 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.

Section 1408. City Consent. Pursuant to the Ordinance, the City Manager and the Mayor are authorized, unless expressly provided herein, to grant on behalf of the City such consents and waivers relating to the Bonds, this Indenture, the Lease Agreement or the Performance Agreement as may be requested during the term thereof; provided, such consents and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease Agreement or the tax exemption as provided for therein, or materially change the nature of the transaction.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the City has caused this Indenture to be signed in its name and behalf by its City Manager and the seal of the City to be hereunto affixed and attested by the City Clerk, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf by its duly authorized officer, all as of the date first above written.

CITY OF GLADSTONE, MISSOURI



[SEAL]

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

ATTEST:

By: Becky Jarrett
Name: Becky Jarrett
Title: Deputy City Clerk

**SECURITY BANK OF KANSAS CITY, as
Trustee**

By: 
Name: Pete Gardner
Title: SVP/Trust Manager

EXHIBIT A

PROJECT SITE

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING.** CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **POINT OF BEGINNING.** CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds .

EXHIBIT C

[RESERVED]

EXHIBIT D

FORM OF BONDS

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.

No. 1

**Not to Exceed
\$35,380,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

Interest Rate

6.00%

Maturity Date

December 1, 2042

Dated Date

December [____], 2021

OWNER: PARKSIDE INVESTORS, LLC

MAXIMUM PRINCIPAL AMOUNT: THIRTY-FIVE MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

THE CITY OF GLADSTONE, MISSOURI, a third class city organized and existing under the laws of the State of Missouri (the “City”), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2022, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

As used herein, the term “Cumulative Outstanding Principal Amount” means all Bonds outstanding under the terms of the hereinafter-defined Indenture, as reflected on **Schedule I** hereto maintained by the Trustee.

THIS BOND is one of a duly authorized series of Bonds of the City designated “City of Gladstone, Missouri, Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021,” in the maximum aggregate principal amount of \$35,380,000 (the “Bonds”), to be issued for the purpose of paying the costs of a portion of the Project consisting of the complete renovation of the apartment development to be known as “Parkside,” and other significant improvements (collectively, the “Project Improvements” as more fully described in the Indenture), located on certain real property in the City (the “Project Site”). The City will lease the Project Site and the Project Improvements (collectively, the “Project”) to Parkside Investors, LLC, a limited liability company organized and existing under the laws of the State of Missouri (the “Company”), under the terms of a Lease Agreement dated as of December 1, 2021 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of Missouri, including particularly the Act, and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of December 1, 2021 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and Security Bank of Kansas City, Gladstone, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease; provided, however, if only a portion of the Bonds are to be redeemed, Bonds aggregating 10% of the maximum principal amount of Bonds authorized under the Indenture shall not be subject to redemption and payment before the stated maturity thereof. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

THE BONDS are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to **Sections 9.1(f)** or **9.2(c)** of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph, money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

If the Bonds are to be called for optional redemption, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least 10 days prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owner of this Bond at least five days before the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid.

THE BONDS, including interest thereon, are special obligations of the City and are payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease and not from any other fund or source of the City, and is secured by a pledge and assignment of the Project and of such rents, revenues and receipts, including all rentals and other amounts to be received by the City under and pursuant to the Lease, all as provided in the Indenture. The Bonds do not constitute a general obligation of the City or the State of Missouri, and neither the City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction, and are not payable in any manner by taxation. Pursuant to the provisions of the Lease, rental payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the City and deposited in a special fund created by the City and designated the “City of Gladstone, Missouri, Bond Fund – Parkside Investors, LLC.”

THE OWNER of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

THIS BOND is transferable in whole only, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in Person or by such Person’s duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or such Person’s duly authorized attorney, and thereupon a new fully registered Bond, in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

THE BONDS are issuable in the form of one fully-registered Bond without coupons in the maximum principal amount of \$35,380,000.

THIS BOND shall not be valid or become obligatory for any purposes or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, the City of Gladstone, Missouri, has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk and its corporate seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated the date set forth above.

CERTIFICATE OF AUTHENTICATION

CITY OF GLADSTONE, MISSOURI

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

By: _____
Mayor

Registration Date: _____

SECURITY BANK OF KANSAS CITY,
as Trustee

ATTEST: _____ (Seal)

By _____
Authorized Signatory

City Clerk

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

Bond No. 1

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

FORM OF ASSIGNMENT

(NOTE RESTRICTIONS ON TRANSFERS)

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

Print or Typewrite Name, Address and Social Security or
other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept by the Trustee for the registration and transfer of Bonds, 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 Bond in every particular.

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 E

FORM OF REPRESENTATION LETTER

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

Security Bank of Kansas City, as Trustee
7001 N Oak Trafficway
Gladstone, Missouri 64118
Attention: Corporate Trust Department

Re: \$35,380,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021 of City of Gladstone, Missouri

Ladies and Gentlemen:

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

1. The undersigned purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the City of Gladstone, Missouri (the “City”) and Security Bank of Kansas City, as trustee (the “Trustee”), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Parkside Investors, LLC, a Missouri limited liability company (the “Company”), under a Lease Agreement dated as of December 1, 2021 (the “Lease”), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

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

3. The undersigned purchaser agrees not to attempt to offer, sell, hypothecate (except in connection with a collateral pledge of the Bond as security for a financing) or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City and the Company that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

4. The Company has (a) furnished to the undersigned purchaser such information about itself as the undersigned deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the undersigned, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of

the Company and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information that it has requested.

5. The undersigned purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of the terms and risks of the Bonds. The undersigned believes that the Bonds that it is acquiring is a security of the kind that it wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

6. The undersigned is fully aware of and satisfied with (a) the current status of the title to the Project and any issues related thereto and (b) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

7. The undersigned understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

8. The undersigned hereby directs the Trustee to hold the Bonds in trust pursuant to **Section 204(c)** of the Indenture.

Dated: _____, 20__

[PURCHASER]

By: _____
Name: _____
Title: _____

**CITY OF GLADSTONE, MISSOURI,
As Lessor,**

AND

**PARKSIDE INVESTORS, LLC,
As Company**

LEASE AGREEMENT

Dated as of December 1, 2021

Relating to:

**\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

Certain rights of the City of Gladstone, Missouri (the “City”), in this Lease Agreement have been pledged and assigned to Security Bank of Kansas City, Kansas City, Kansas, as Trustee under the Trust Indenture dated as of December 1, 2021, between the City and the Trustee.

LEASE AGREEMENT

TABLE OF CONTENTS

Page

Parties 1
Recitals 1

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms 2
Section 1.2. Rules of Interpretation 2
Section 1.3. Acceptance of Indenture 3

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the City 3
Section 2.2. Representations by the Company 4

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate 5
Section 3.2. Lease Term 5
Section 3.3. Possession and Use of the Project 5

ARTICLE IV

PURCHASE, CONSTRUCTION AND EQUIPPING OF THE PROJECT

Section 4.1. Issuance of the Bonds 6
Section 4.2. Purchase, Construction and Equipping of the Project 6
Section 4.3. Project Costs 7
Section 4.4. Payment for Project Costs 7
Section 4.5. Establishment of Completion Date 7
Section 4.6. Surplus or Deficiency in Project Fund 7
Section 4.7. Project Property of City 7
Section 4.8. Non-Project Improvements, Machinery and Equipment Property
of the Company 8

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent 8
Section 5.2. Additional Rent 8

Section 5.3.	Obligations of Company Absolute and Unconditional.....	9
Section 5.4.	Prepayment of Basic Rent	9

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1.	Maintenance and Repairs.....	10
Section 6.2.	Taxes, Assessments and Other Governmental Charges.....	10
Section 6.3.	Utilities	11
Section 6.4.	Property Tax Exemption.....	11

ARTICLE VII

INSURANCE

Section 7.1.	Title Commitment or Report	11
Section 7.2.	Casualty Insurance.....	11
Section 7.3.	Public Liability Insurance.....	12
Section 7.4.	Blanket Insurance Policies; Self Insurance.....	12
Section 7.5.	Worker’s Compensation	12

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1.	Additions, Modifications and Improvements to the Project	13
Section 8.2.	[Reserved].....	13
Section 8.3.	Additional Improvements on the Project Site.....	13
Section 8.4.	Permits and Authorizations.....	13
Section 8.5.	Mechanics’ Liens.....	14

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1.	Damage or Destruction.....	14
Section 9.2.	Condemnation.....	16
Section 9.3.	Bondowner Approval	17

ARTICLE X

SPECIAL COVENANTS

Section 10.1.	No Warranty of Condition or Suitability by the City; Exculpation and Indemnification	17
Section 10.2.	Surrender of Possession.....	17
Section 10.3.	Right of Access to the Project	18
Section 10.4.	Granting of Easements; Leasehold Mortgages and Financing Arrangements.....	18
Section 10.5.	Indemnification of City and Trustee.....	20
Section 10.6.	Depreciation, Investment Tax Credit and Other Tax Benefits	21
Section 10.7.	Company to Maintain its Existence.....	21
Section 10.8.	Security Interests	21

Section 10.9.	Environmental Matters, Warranties, Covenants and Indemnities Regarding Environmental Matters.....	21
---------------	--	----

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1.	Option to Purchase the Project	23
Section 11.2.	Conveyance of the Project.....	24
Section 11.3.	Relative Position of Option and Indenture	24
Section 11.4.	Obligation to Purchase the Project	24

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1.	Events of Default.....	25
Section 12.2.	Remedies on Default	26
Section 12.3.	Survival of Obligations.....	26
Section 12.4.	Performance of the Company’s Obligations by the City	26
Section 12.5.	Rights and Remedies Cumulative.....	26
Section 12.6.	Waiver of Breach.....	27
Section 12.7.	Trustee’s Exercise of the City’s Remedies	27

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1.	Assignment; Sublease.....	27
Section 13.2.	Assignment of Revenues by City.	28
Section 13.3.	Prohibition Against Fee Mortgage of Project	28
Section 13.4.	Restrictions on Sale or Encumbrance of Project by City.....	28

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1.	Amendments, Changes and Modifications	28
---------------	---	----

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1.	Notices	29
Section 15.2.	City Shall Not Unreasonably Withhold Consents and Approvals.....	29
Section 15.3.	Net Lease.....	29
Section 15.4.	Limitation on Liability of City	29
Section 15.5.	Governing Law	29
Section 15.6.	Binding Effect.....	29
Section 15.7.	Severability	29
Section 15.8.	Electronic Storage.....	29
Section 15.9.	Execution in Counterparts.	30
Section 15.10.	Complete Agreement.....	30

Signatures and Seal..... S-1

- Exhibit A: Project Site
- Exhibit B: Project Improvements
- Exhibit C: [Reserved]
- Exhibit D: Form of Requisition Certificate
- Appendix I: Performance Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of December 1, 2021 (the “**Lease**”), is between the **CITY OF GLADSTONE, MISSOURI**, a third class city and political subdivision duly organized and existing under the laws of the State of Missouri, as lessor (the “**City**”), and **PARKSIDE INVESTORS, LLC**, a limited liability company organized and existing under the laws of the State of Missouri, as lessee (the “**Company**”);

RECITALS:

1. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (the “**Act**”), to purchase, construct, extend and improve certain “**projects**” (as defined in Section 100.010 of the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Following notice to affected taxing jurisdictions in accordance with Section 100.059.1 of the Act, the City Council adopted Ordinance No. 4.577 on December 13, 2021 (the “**Ordinance**”), (i) approving a plan for the Company’s economic development project, and (ii) authorizing the issuance of \$35,380,000 principal amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, to pay the costs of a portion of the Project consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds (collectively, the “**Project Improvements**,” as more fully described on **Exhibit B** hereto), located on certain real property in the City (the “**Project Site**,” as more fully described on **Exhibit A** hereto). The Project Improvements and the Project Site are collectively referred to herein as the “**Project**.”

3. Pursuant to the Ordinance, the City is authorized to execute and deliver (a) the Trust Indenture dated as of even date herewith (the “**Indenture**”), between the City and Security Bank of Kansas City, Kansas City, Kansas, as bond trustee (the “**Trustee**”), for the purpose of issuing and securing the Bonds, (b) this Lease with the Company, as lessee, under which the City, as lessor, will purchase, construct, improve and equip the Project and will lease the Project to the Company, in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds, and (c) the Performance Agreement dated as of even date herewith (the “**Performance Agreement**”), between the City and the Company, for the purpose of setting forth the terms and conditions of the Project’s exemption from *ad valorem* real and personal property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

4. Pursuant to the foregoing, the City desires to lease the Project to the Company and the Company desires to lease the Project from the City, for the rentals and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and the Company do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease and the words and terms defined in **Section 101** of the Indenture which definitions are hereby incorporated herein by reference, and terms defined, the following words and terms as used in this Lease shall have the following meanings:

“Additional Rent” means the additional rental described in **Section 5.2** of this Lease.

“Basic Rent” means the rental described in **Section 5.1** of this Lease.

“Environmental Law” means and includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act of 1986, any other “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Materials, as now or at any time hereafter in effect.

“Full Insurable Value” means the reasonable replacement cost of the Project less physical depreciation and exclusive of land, excavations, footings, foundation and parking lots as determined at the expense of the Company from time to time and in accordance with **Section 7.1(a)** hereof.

“Lease Term” means the period from the effective date of this Lease until the expiration thereof pursuant to **Section 3.2** of this Lease.

“Net Proceeds” means, when used with respect to any insurance or condemnation award with respect to the Project, the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys’ fees, trustee’s fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds.

“Plans and Specifications” means the plans and specifications prepared for and showing the Project, as amended by the Company from time to time prior to the Completion Date, the same being duly certified by the Company, and on file with the Company in Gladstone, Missouri, or with the architect/engineers retained by the Company for the Project, and which shall be available for reasonable inspection by the City, the Trustee and their duly appointed representatives.

“Project Site” means the real property upon which the property comprising the Project is located as more fully described in **Exhibit A**.

Section 1.2. Rules of Interpretation.

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

(b) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including governmental entities, 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 instrument 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.

(f) 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.

Section 1.3. Acceptance of Indenture. The Company acknowledges that it has received an executed copy of the Indenture and that it is familiar with the terms and conditions of the Indenture. The Company further covenants that it will comply with all the conditions and covenants contained in the Indenture relating to the Company and the Project, and that it will not take any action which would cause a default thereunder or jeopardize the rights of the Trustee, the City or the Bondholders.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a third class city and political subdivision duly organized and validly existing under the laws of the State of Missouri. Under the provisions of the Act, the City has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its governing body, the City has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers;

(b) As of the date of delivery hereof, the City agrees to acquire the Project Site, subject to Permitted Encumbrances, and purchase, construct, improve and equip or cause to be purchased, constructed, improved and equipped thereon the Project Improvements. The City agrees to lease the Project to the Company and sell the Project to the Company if the Company exercises its option to purchase the Project or upon termination of this Lease as provided for herein, all for the purpose of furthering the public purposes of the Act;

(c) To finance the costs of the Project, the City proposes to issue the Bonds which will be scheduled to mature as set forth in **Article II** of the Indenture and will be subject to redemption prior to maturity in accordance with the provisions of **Article III** of the Indenture;

(d) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Project and the net earnings therefrom, consisting of all rents, revenues and receipts to

be derived by the City from the leasing or sale of the Project, will be pledged and assigned to the Trustee as security for payment of the principal of and interest on the Bonds and amounts owing pursuant to the Lease;

(e) The City will not knowingly take any affirmative action that would permit a lien to be placed on the Project or pledge the revenues derived therefrom for any bonds or other obligations, other than the Bonds, except with the prior written consent of the Authorized Company Representative and the Commercial Lending Bank;

(f) The City will not operate the Project as a business or in any other manner except as the lessor thereof except subsequent to an Event of Default hereunder;

(g) The purchase, construction, improvement and equipping of the Project and the leasing of the Project by the City to the Company will further the public purposes of the Act; and

(h) No member of the governing body of the City or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the Company or in the transactions contemplated hereby.

Section 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri;

(b) The Company has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and the Company has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers and representatives;

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Company will not, to the best of the Company's knowledge, conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restrictions or any agreement or instrument to which the Company is a party or by which it or any of its property is bound, or the Company's organizational documents, or any order, rule or regulation applicable to the Company or any of its property of any court or governmental body, or constitute a default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is a party;

(d) The estimated costs of the design, purchase, construction, improvement and equipping of the Project are in accordance with sound engineering and accounting principles;

(e) The Project will comply in all material respects with all presently applicable building and zoning, health, environmental and safety orders and laws and all other applicable laws, rules and regulations; and

(f) The Project is located wholly within the corporate limits of the City of Gladstone, Missouri.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Granting of Leasehold Estate. The City hereby exclusively rents, leases and lets the Project to the Company, and the Company hereby rents, leases and hires the Project from the City, subject to Permitted Encumbrances existing as of the date of the execution and delivery hereof, for the rentals and upon and subject to the terms and conditions herein contained.

Section 3.2. Lease Term. This Lease shall become effective upon its execution and delivery. Subject to earlier termination pursuant to the provisions of this Lease, the lease of the Project shall commence as of the date of this Lease and terminate on December 1, 2042.

Section 3.3. Possession and Use of the Project.

(a) The Company will possess and operate the Project Improvements located on the Project Site. The City covenants and agrees that as long as neither the City nor the Trustee has exercised any of the remedies set forth in **Section 12.2** hereof following the occurrence and continuance of an Event of Default, as defined in **Section 12.1** hereof, the Company shall have sole and exclusive possession of the Project (subject to Permitted Encumbrances and the City's and the Trustee's right of access pursuant to **Section 10.3** hereof) and shall and may peaceably and quietly have, hold and enjoy the Project during the Lease Term. The City covenants and agrees that it will not take any action, other than expressly pursuant to **Article XII** hereof, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request and expense of the Company, cooperate with the Company to defend the Company's quiet and peaceable possession and enjoyment of the Project.

(b) Subject to the provisions of this Section, the Company shall have the exclusive right to use the Project for any lawful purpose contemplated by the Act and consistent with the terms of the Performance Agreement. The Company shall use its best efforts to comply in all material respects 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 Project, as to the manner of use or the condition of the Project. The Company shall also comply with the mandatory requirements, rules and regulations of all insurers under the policies carried under the provisions of **Article VII** hereof. The Company 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 Company to comply with the provisions of this Section. Notwithstanding any provision contained in this Section, however, the Company may, at its own cost and expense, contest or review by legal or other appropriate procedures the validity or legality of any such governmental 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 Company may refrain from complying therewith.

ARTICLE IV

PURCHASE, CONSTRUCTION AND EQUIPPING OF THE PROJECT

Section 4.1. Issuance of the Bonds. To provide funds for the payment of Project Costs, the City agrees that, upon request of the Company, it will issue, sell and cause to be delivered the Bonds to the purchaser thereof in accordance with the provisions of the Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds, when received, shall be paid over to the Trustee for the account of the City. The Trustee shall promptly deposit such proceeds, when received, as provided in the Indenture, to be used and applied as hereinafter provided in this Lease and in the Indenture. Alternatively, the Trustee may, (pursuant to **Section 208(d)** of the Indenture) endorse the Bonds in an amount equal to the requisition certificates submitted pursuant to **Section 4.4** below. In that event, the purchaser of the Bonds shall be deemed to have deposited funds with the Trustee in an amount equal to the amount stated in the requisition certificate.

Section 4.2. Purchase, Construction and Equipping of the Project. The City and the Company agree that the City will and the Company, as the agent of the City, shall, but solely from the Project Fund, purchase, construct and equip the Project as follows:

(a) The City will acquire the Project Site at the execution hereof. Concurrently with the execution of this Lease, (i) a deed and any other necessary instruments of transfer will be delivered to the City and placed of record, and (ii) the commitment for title insurance or ownership and encumbrance report required by **Article VII** hereof will be delivered to the City and the Trustee;

(b) On behalf of the City, the Company will improve and construct the Project Improvements on the Project Site and otherwise improve the Project Site in accordance with the Plans and Specifications. The Company may revise the Plans and Specifications from time to time as it deems necessary to carry out the Project, but revisions that would alter the intended purpose of the Project may be made only with the prior written approval of the City. The Company agrees that the aforesaid construction and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, and that all real and personal property described in the Plans and Specifications, with such changes and additions as may be made hereunder, is desirable and appropriate in connection with the Project. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 8.3**;

(c) The Company will comply with the provisions of Section 107.170 of the Revised Statutes of Missouri, as amended, to the extent applicable to the construction of the Project; and

(d) The Company agrees that it will use reasonable efforts to cause the purchase, construction, improvement and equipping of the Project to be completed as soon as practicable with all reasonable dispatch. In the event such purchase, construction, improvement and equipping commences prior to the receipt of proceeds from the sale of the Bonds, the Company agrees to advance all funds necessary for such purpose.

Section 4.3. Project Costs. The City hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.4** hereof.

Section 4.4. Payment for Project Costs. All Project Costs as specified in **Section 4.3** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the City hereby authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached hereto as **Exhibit D**, signed by an Authorized Company Representative, which disbursements may be recorded via a transaction entry on the trust records held by the Trustee. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The submission of any requisition certificate by an Authorized Company Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payments requested have been satisfied.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Company Representative stating (a) the purchase, construction, improvement and installation of the Project has been completed in accordance with the Plans and Specifications, (b) that all costs and expenses incurred in the purchase, construction, improvement and installation 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 Company, and (c) amounts to be retained by Trustee with respect to item (b) 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. The Company and the City agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.6. Surplus or Deficiency in Project Fund.

(a) Upon receipt of the certificate described in **Section 4.5** hereof, the Trustee shall, as provided in **Section 504** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (1) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (2) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 702** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete the Project free of liens and encumbrances other than Permitted Encumbrances, the Company shall pay, in cash, the full amount of any such deficiency by making payments thereof directly to the contractors and to the suppliers of materials and services as the same shall become due, and the Company shall save the City and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 4.7. Project Property of City. The Project Site and the Project Improvements located thereon at the execution hereof and which the Company desires to convey to the City, including all work and materials on the Project Improvements as such work progresses, and all additions or enlargements thereto or thereof, until the Project as fully completed, anything under this Lease which becomes, is deemed to be, or constitutes a part of the Project, and the Project as repaired, rebuilt, rearranged, restored or replaced by the Company under the provisions of this Lease, except as otherwise specifically provided herein, shall immediately when erected or installed become the absolute property of

the City, subject only to this Lease, the Indenture, Permitted Encumbrances and the Leasehold Mortgage, if any.

Section 4.8. Non-Project Improvements, Machinery and Equipment Property of the Company. Any improvements or items of machinery or equipment which do not constitute part of the Project Improvements, and the entire purchase price of which is paid for by the Company with the Company's own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease in the Project Fund, shall be the property of the Company and shall not constitute a part of the Project for purposes of **Section 6.4** hereof and therefore are subject to taxation, to the extent otherwise provided by law.

ARTICLE V

RENT PROVISIONS

Section 5.1. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during this Lease Term, on or before 11:00 a.m., Trustee's local time, on each Payment Date, as Basic Rent for the Project, an amount which, when added to any collected funds then on deposit in the Bond Fund and available for the payment of principal on the Bonds and the interest thereon on such Payment Date, shall be equal to the amount payable on such Payment Date as principal of the Bonds and the interest thereon as provided in the Indenture. Except as offset pursuant to the right of the Company set forth below, all payments of Basic Rent provided for in this Section shall be paid directly to the Trustee and shall be deposited in accordance with the provisions of the Indenture into the Bond Fund and shall be used and applied by the Trustee in the manner and for the purposes set forth in this Lease and the Indenture. In furtherance of the foregoing, and notwithstanding any other provision in this Lease, the Indenture, the Bond Purchase Agreement or the Performance Agreement to the contrary, and provided that the Company is the sole holder of the Bonds, the Company may set-off the then-current Basic Rent payment against the City's obligation to the Company as Bondholder under the Indenture in lieu of delivery of the Basic Rent on any Payment Date, without providing notice of such set-off to the Trustee. The Trustee may conclusively rely on the absence of any notice from the Company to the contrary as evidence that such set-off has occurred. On the final Payment Date, the Company will (a) if the Trustee holds the Bonds, notify the Trustee of the Bonds not previously paid that are to be cancelled or (b) if an entity other than the Trustee holds the Bonds, deliver or cause to be delivered to the Trustee for cancellation Bonds not previously paid. The Company shall receive a credit against the Basic Rent payable by the Company in an amount equal to the principal amount of the Bonds so tendered for cancellation plus accrued interest thereon.

Section 5.2. Additional Rent. The Company shall pay as Additional Rent, within 30 days after receiving an itemized invoice therefor, the following amounts:

(a) all fees, charges and expenses, including agent and counsel fees and expenses, of the City, the Trustee and the Paying Agent incurred under or arising from the Indenture, this Lease or the Performance Agreement, including but not limited to claims by contractors or subcontractors, as and when the same become due;

(b) all costs incident to the issuance of the Bonds (which are to be paid on the Closing Date) and the payment of the principal of and interest on the Bonds as the same become due and payable, including all costs and expenses in connection with the call, redemption and payment of all Outstanding Bonds;

(c) all fees, charges and expenses incurred in connection with the enforcement of any rights under this Lease, the Indenture or the Performance Agreement by the City, the Trustee or the Owners, including counsel fees and expenses; and

(d) all other payments of whatever nature which the Company has agreed in writing to pay or assume under the provisions of this Lease, the Performance Agreement or the Indenture.

Section 5.3. Obligations of Company Absolute and Unconditional.

(a) The obligations of the Company under this Lease to make payments of Basic Rent and Additional Rent on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be absolute and unconditional, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Project has been started or completed, or whether the City's title thereto or to any part thereof is defective or nonexistent, and notwithstanding any damage to, loss, theft or destruction of, the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Company's use thereof, the eviction or constructive eviction of the Company, 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 City's legal organization or status, or any default of the City hereunder, and regardless of the invalidity of any action of the City; provided, however, that nothing in this **Section 5.3(a)** or **Section 5.3(b)** is intended or shall be deemed to affect or impair in anyway the rights of the Company to tender Bonds for redemption in satisfaction of Basic Rent as provided in **Section 5.1** and **Section 5.4** hereof, nor the right of the Company to terminate this Lease and repurchase the Project as provided in **Article XI** hereof.

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

Section 5.4. Prepayment of Basic Rent. The Company may at any time and from time to time prepay a portion of the Basic Rent provided for hereunder, subject to the limitations of **Section 301(a)** of the Indenture relating to the redemption of the Bonds. During such times as the amount held by the Trustee in the Bond Fund shall be sufficient to pay, at the time required, the principal of and interest on all the Bonds then remaining unpaid, the Company shall not be obligated to make payments of Basic Rent under the provisions of this Lease.

Subject to **Section 301(a)** of the Indenture relating to the redemption of Bonds, the Company, at its option, may deliver to the Trustee for cancellation Bonds owned by the Company and not previously paid, and the Company shall receive a credit against amounts payable by the Company for the redemption of Bonds in an amount equal to the principal amount of the Bonds so tendered for cancellation, plus accrued interest thereon.

ARTICLE VI

MAINTENANCE, TAXES AND UTILITIES

Section 6.1. Maintenance and Repairs. Throughout the Lease Term, the Company shall, at its own expense, keep the Project in reasonably safe operating condition and keep the Project in good repair, reasonable wear, tear, depreciation and obsolescence excepted, making from time to time all repairs thereto and renewals and replacements thereof it determines to be necessary. Without limiting the generality of the foregoing, the Company shall at all times remain in compliance with all provisions of the City's code relating to maintenance and appearance.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) Subject to subsection (b) of this Section, the Company shall promptly pay and discharge, as the same become due, all taxes and assessments, general and special, and other governmental charges of any kind whatsoever that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project, or any part thereof or interest therein (including the leasehold estate of the Company therein) or any buildings, improvements, machinery and equipment at any time installed thereon by the Company, or the income therefrom, including any new taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all utility charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Bonds or encumber the City's title to the Project; provided that with respect to any special assessments or other governmental charges that are lawfully levied and assessed which may be paid in installments, the Company shall be obligated to pay only such installments thereof as become due and payable during the Lease Term.

(b) The Company may, in its own name or in the City's name, contest the validity or amount of any tax, assessment or other governmental charge which the Company is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the tax, assessment or other governmental charge complained of becomes delinquent if and provided (1) the Company, before instituting any such contest, gives the City and the Trustee written notice of its intention to do so, (2) the Company diligently prosecutes any such contest, at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, and (3) the Company promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested and thereafter promptly procures record release or satisfaction thereof. The City agrees to cooperate fully with the Company in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The Company shall save and hold harmless the City and the Trustee from any costs and expenses the City and the Trustee may incur related to any of the above.

(c) Nothing in this Lease shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit against any payments in lieu of taxes due under the Performance Agreement to the extent of any *ad valorem* taxes imposed and paid by the Company with respect to the Project paid pursuant to this Section.

Section 6.3. Utilities. All utilities and utility services used by the Company in, on or about the Project shall be paid by the Company and shall be contracted by the Company in the Company's own name, and the Company shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

Section 6.4. Property Tax Exemption. The City and the Company expect that while the Project is owned by the City and is subject to the Lease, the Project will be exempt from all *ad valorem* real property taxes by reason of such ownership, and the City agrees that it will (at the expense of the Company) cooperate with the Company to defend such exemption against all parties. The City and the Company further acknowledge and agree that the City's obligations hereunder are contingent upon the Company making the payments and otherwise complying with the terms of the Performance Agreement during the term of this Lease. The terms and conditions of the Performance Agreement (attached hereto as **Appendix I**) are incorporated herein as if fully set forth herein.

ARTICLE VII

INSURANCE

Section 7.1. Title Commitment or Report. Before conveying title to any real property to the City, the Company will purchase, from a title insurance company reasonably acceptable to the City, a commitment for title insurance or provide such other report in a form reasonably acceptable to the City showing the ownership of and encumbrances on the Project Site. Copies of such report shall be provided to the City and the Trustee. The Trustee has no duty to review or analyze the sufficiency of such commitment or report and shall hold such documents solely as a repository.

Section 7.2. Casualty Insurance.

(a) The Company shall at its sole cost and expense obtain and shall maintain throughout the Lease Term a policy or policies of insurance (including, if appropriate, builder's risk insurance) to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value thereof (subject to reasonable loss deductible provisions). The insurance required pursuant to this Section shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri or generally recognized international insurers or reinsurers with an A.M. Best rating of not less than "A-" or the equivalent thereof as may be selected by the Company. The Company shall deliver certificates of insurance for such policies to the City and the Trustee on the date of execution of this Lease and upon renewal of each insurance policy. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the City and the Company as insureds, as their respective interests may appear, shall name the Trustee and Commercial Lending Bank as loss payees and shall contain a provision that such insurance may not be canceled by the issuer thereof without at least 10 days' advance written notice to the City, the Company the Trustee, and Commercial Lending Bank.

(b) In the event of loss or damage to the Project, the Net Proceeds of casualty insurance carried pursuant to this Section shall be (i) paid over to the Trustee (in trust for itself and Commercial Lending Bank) and shall be applied as provided in **Article IX** of this Lease, or (ii) if otherwise directed by, or on behalf of, the Owners or pledgees of 100% in principal amount of the Bonds Outstanding, as so directed. Insurance monies in an amount less than \$1,000,000 may be paid to or retained by the Company to be held in trust and used as provided herein as provided in **Section 9.1(a)** hereof. For purposes of this paragraph, the Commercial Lending Bank shall be deemed a pledgee of the Bonds.

Section 7.3. Public Liability Insurance.

(a) The Company shall at its sole cost and expense maintain or cause to be maintained at all times during the Lease Term commercial general liability insurance (including but not limited to coverage for operations, contingent liability, operations of subcontractors, completed operations and contractual liability), under which the City, the Company, the Trustee, and Commercial Lending Bank shall be named as insureds, properly protecting and indemnifying the City, the Trustee, and Commercial Lending Bank in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri, as amended (subject to reasonable loss deductible clauses not to exceed the amounts normally or generally carried by the Company). The policies of said insurance shall contain a provision that such insurance may not be canceled by the issuer thereof without at least 10 days' advance written notice to the City, the Company, the Trustee, and Commercial Lending Bank. Certificates of such policies shall be furnished to the Trustee on the date of execution of this Lease and not less than 30 days before the expiration date of each insurance policy.

(b) In the event of a general liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 7.4. Blanket Insurance Policies; Self Insurance. The Company may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance, provided each and all of the requirements and specifications of this Article respecting insurance are complied with. The Company may satisfy any of the insurance requirements set forth in this Article using self-insurance or insurance through a subsidiary or affiliate; so long as (i) the insurance is underwritten by a subsidiary or other affiliate of the Company with a separate net worth of at least \$150,000,000, or (ii) the Company funds such self-insurance by appropriate reserves in the amounts recommended by independent actuarial reports obtained not less than every three (3) years for the term of this Lease. The Company shall provide to the City and the Trustee copies of financial statements or similar evidence of net worth of such affiliate on the date hereof and every three (3) years, or, in the case of actuarial reports, on the date of delivery of this Lease and, thereafter, not less than 30 days after receipt of such reports.

Section 7.5. Worker's Compensation. The Company agrees until the Completion Date to maintain or cause to be maintained by the general contractor or other contractors performing work on the Project Site the worker's compensation coverage required by the laws of the State of Missouri. In the event improvements are undertaken subsequent to the Completion Date, the Company agrees to cause the contractors performing such work to maintain the worker's compensation coverage required by the laws of the State of Missouri. The Company agrees that it will maintain worker's compensation coverage, if any, required by the laws of the State of Missouri.

ARTICLE VIII

ALTERATION OF THE PROJECT

Section 8.1. Additions, Modifications and Improvements to the Project.

(a) The Company may make such additions, modifications and improvements in and to any part of the Project as the Company from time to time may deem necessary or desirable for its business purposes. All additions, modifications and improvements made by the Company pursuant to this Section shall (i) be made in a good and workmanlike manner and in strict compliance with all laws, orders and ordinances applicable thereto and (ii) when commenced, be prosecuted to completion with due diligence.

(b) The Company shall, following the Completion Date, notify the City in writing of any improvements to the portion of the Project Site that in the aggregate are reasonably expected to exceed \$1,000,000 during any calendar year. If such improvements constitute personal property, any such improvements shall remain the property of the Company, shall not become part of the Project, and shall be subject to *ad valorem* taxes.

Section 8.2. [Reserved].

Section 8.3. Additional Improvements on the Project Site. The Company may, at its sole cost and expense, construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Company from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Company, and not paid for with Bond proceeds, pursuant to the authority of this Section shall not be included as Project Improvements and, during the life of this Lease, shall remain the property of the Company and may be added to, altered or razed and removed by the Company at any time. All additional buildings and improvements shall be made in a good and workmanlike manner and in strict compliance with all material laws, orders and ordinances applicable thereto and when commenced shall be prosecuted to completion with due diligence. The Company covenants and agrees (a) to make any repairs and restorations required to be made to the Project because of the construction of, addition to, alteration or removal of said additional buildings or improvements, and (b) to promptly and with due diligence either raze and remove or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty. The Company shall pay all *ad valorem* taxes and assessments payable with respect to such additional buildings and improvements which remain the property of the Company. If for any reason the County Assessor determines that such additional buildings and improvements are not subject to *ad valorem* taxes, the Company shall make payments in lieu of taxes in an amount equal to the taxes that would otherwise be due under this Section.

Section 8.4. Permits and Authorizations. The Company shall not do or permit others under its control to do any work on the Project related to any repair, rebuilding, restoration, replacement, modification or addition to the Project, or any part thereof, unless all requisite municipal and other governmental permits and authorizations shall have been first procured. The City agrees to act promptly on all requests for such municipal permits and authorizations. All such work shall be done in a good and workmanlike manner and in strict compliance with all applicable material building and zoning laws and governmental regulations and requirements, and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of **Article VII** hereof.

Section 8.5. Mechanics' Liens.

(a) The Company will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the Project, except Permitted Encumbrances, and the Company shall promptly notify the City of the imposition of such lien of which the Company is aware and shall promptly, at its own expense, take such action as may be necessary to fully discharge or release any such lien. Whenever and as often as any mechanics' or other similar lien is filed against the Project, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Project, the Company shall discharge the same of record. Notice is hereby given that the City shall not be liable for any labor or materials furnished the Company or anyone claiming by, through or under the Company upon credit, and that no mechanics' or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the City in and to the Project or any part thereof.

(b) Notwithstanding paragraph (a) above, the Company may contest any such mechanics' or other similar lien if the Company (1) within 60 days after the Company becomes aware of any such lien notifies the City and the Trustee in writing of its intention so to do, (2) diligently prosecutes such contest, (3) at all times effectively stays or prevents any official or judicial sale of the Project, or any part thereof or interest therein, under execution or otherwise, (4) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim and (5) thereafter promptly procures record release or satisfaction thereof. The Company may permit the lien so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Company is notified by the City that, in the opinion of counsel, by nonpayment of any such items, the interest of the City in the Project will be subject to loss or forfeiture. In that event, the Company shall promptly, at its own expense, take such action as may be reasonably necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Company shall save and hold harmless the City from any loss, costs or expenses the City may incur related to any such contest. The Company shall reimburse the City for any expense incurred by it in connection with the imposition of any such lien or in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall cooperate fully with the Company in any such contest.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 9.1. Damage or Destruction.

(a) If the Project is damaged or destroyed by fire or any other casualty, whether or not covered by insurance, the Company, as promptly as practicable, shall either (i) make the determination described in subsection (f) below, or (ii) repair, restore, replace or rebuild the same so that upon completion of such repairs, restoration, replacement or rebuilding the Project is of a value not less than the value thereof immediately before the occurrence of such damage or destruction or, at the Company's option, construct upon the Project Site new buildings and improvements thereafter together with all new machinery, equipment and fixtures which are either to be attached to or are to be used in connection with the operation or maintenance thereof, provided that (A) the value thereof shall not be less than the value of such destroyed or damaged Project Improvements immediately before the occurrence of such damage or destruction and (B) the nature of such new buildings, improvements, machinery, equipment and fixtures will not impair the character of the Project as an enterprise permitted by the Act.

If the Company elects to construct any such new buildings and improvements, for all purposes of this Lease, any reference to the words "Project Improvements" shall be deemed to also include any such new buildings and improvements and all additions thereto and all replacements and alterations thereof.

Unless the Company makes the determination described in subsection (f) below, the Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss to the Project shall be used to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof. Insurance monies in an amount less than \$1,000,000 may be paid to or retained by the Company (or by Commercial Lending Bank) to be held in trust and used as provided herein. Insurance monies in any amount of \$1,000,000 or more shall be (i) paid to the Trustee and deposited in the Project Fund and shall be disbursed as provided in **Section 4.4** hereof to pay the cost of repairing, restoring, replacing or rebuilding the Project or any part thereof, or (ii) if determined by the Owners of 100% in principal amount of the Bonds Outstanding (which may include deposit with Commercial Lending Bank), applied as directed by, or on behalf of, such Owners of 100% in principal amount of the Bonds Outstanding. If the Company makes the determination described in subsection (f) below, the Net Proceeds shall be deposited with the Trustee and used to redeem Bonds as provided in subsection (f).

(b) If any of the insurance monies paid by the insurance company as hereinabove provided remain after the completion of such repairs, restoration, replacement or rebuilding, and this Lease has not been terminated, the excess shall be deposited in the Bond Fund, subject to the rights of Commercial Lending Bank or any other leasehold mortgagee or Financing Party. Completion of such repairs, restoration, replacement or rebuilding shall be evidenced by a certificate of completion in accordance with the provisions of **Section 4.5** hereof. If the Net Proceeds are insufficient to pay the entire cost of such repairs, restoration, replacement or rebuilding, the Company shall pay the deficiency.

(c) Except as otherwise provided in this Lease, in the event of any such damage by fire or any other casualty, the provisions of this Lease shall be unaffected and the Company shall remain and continue liable for the payment of all Basic Rent and Additional Rent and all other charges required hereunder to be paid by the Company, as though no damage by fire or any other casualty has occurred.

(d) The City and the Company agree that they will cooperate with each other, to such extent as such other party may reasonably require, in connection with the prosecution or defense of any action or proceeding arising out of, or for the collection of any insurance monies that may be due in the event of, any loss or damage, and that they will execute and deliver to such other parties such instruments as may be required to facilitate the recovery of any insurance monies.

(e) The Company agrees to give prompt notice to the City and the Trustee with respect to all fires and any other casualties occurring in, on, at or about the Project Site causing (in the Company's opinion) damage of more than \$1,000,000.

(f) If the Company determines that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, or if the Company does not have the right under any Leasehold Mortgage to use any Net Proceeds for repair or restoration of the Project, any Net Proceeds of casualty insurance required by **Article VII** hereof received with respect to such damage or loss shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same become due, all subject to rights of the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any). The Company agrees to be reasonable in exercising its judgment pursuant to this subsection (f). Alternatively, if the Company is the sole owner of the Bonds and it has

determined that rebuilding, repairing, restoring or replacing the Project is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the casualty insurance, and (subject to the rights of the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any)) retain such proceeds for its own account.

(g) The Company shall not, by reason of its inability to use all or any part of the Project during any period in which the Project is damaged or destroyed or is being repaired, rebuilt, restored or replaced, nor by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease or of any other obligations of the Company under this Lease except as expressly provided in this Section.

Section 9.2. Condemnation.

(a) If during the Lease Term, title to, or the temporary use of, all or any part of the Project is condemned by or sold under threat of condemnation to any authority possessing the power of eminent domain, to such extent that the claim or loss resulting from such condemnation is greater than \$1,000,000, the Company shall, within 90 days after the date of entry of a final order in any eminent domain proceedings granting condemnation or the date of sale under threat of condemnation, notify the City, the Trustee, the mortgagee under the Leasehold Mortgage (if any) and the Financing Party under the Financing Documents (if any) in writing as to the nature and extent of such condemnation or loss of title and whether it is practicable and desirable to acquire or construct substitute improvements.

(b) If the Company determines that such substitution is practicable and desirable, the Company shall proceed promptly with and complete with reasonable dispatch the acquisition or construction of such substitute improvements, so as to place the Project in substantially the same condition as existed before the exercise of the said power of eminent domain, including the acquisition or construction of other improvements suitable for the Company's operations at the Project (which improvements will be deemed a part of the Project and available for use and occupancy by the Company without the payment of any rent other than herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements will be acquired by the City subject to no liens, security interests or encumbrances before the lien and/or security interest afforded by the Indenture and this Lease other than Permitted Encumbrances. In such case, any Net Proceeds received from any award or awards with respect to the Project or any part thereof made in such condemnation or eminent domain proceedings, or of the sale proceeds, shall be applied in the same manner as provided in **Section 9.1** hereof (with respect to the receipt of casualty insurance proceeds).

(c) If the Company determines that it is not practicable or desirable to acquire or construct substitute improvements, any Net Proceeds of condemnation awards received by the Company shall, after payment of all Additional Rent then due and payable, be paid into the Bond Fund and shall be used to redeem Bonds on the earliest practicable redemption date or to pay the principal of any Bonds as the same becomes due and payable, provided that if the Company is the sole owner of the Bonds and it has determined that acquiring and constructing substitute improvements is not practicable or desirable, it may tender Bonds to the Trustee for cancellation in a principal amount equal to the Net Proceeds of the condemnation awards, and retain such proceeds for its own account, all subject to the rights of the mortgagee under the Leasehold Mortgage (if any) and Financing Party under the Financing Documents (if any).

(d) The Company shall not, by reason of its inability to use all or any part of the Project during any such period of restoration or acquisition nor by reason of the payment of the costs of such restoration or acquisition, be entitled to any reimbursement from the City, the Trustee or the Owners or to any abatement or diminution of the rentals payable by the Company under this Lease nor of any other obligations hereunder except as expressly provided in this Section.

(e) The City shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof, and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the City. In no event will the City voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the prior written consent of the Company and the Commercial Lending Bank.

Section 9.3. Bondowner Approval. Notwithstanding anything to the contrary contained in this **Article IX**, the proceeds of any insurance received subsequent to a casualty or of any condemnation proceedings (or threats thereof) shall before the application thereof by the City or the Trustee be applied as directed by the Owners or pledgee(s) of 100% of the principal amount of Bonds Outstanding, subject and subordinate to (a) the rights of the City and the Trustee to be paid all their expenses (including attorneys' fees, trustee's fees and any extraordinary expenses of the City and the Trustee) incurred in the collection of such gross proceeds and (b) the rights of the City to any amounts then due and payable under the Performance Agreement. For purposes of this paragraph, the Commercial Lending Bank shall be deemed a pledgee of the Bonds.

ARTICLE X

SPECIAL COVENANTS

Section 10.1. No Warranty of Condition or Suitability by the City; Exculpation and Indemnification. The City makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the City and the Trustee from, agrees that the City and the Trustee shall not be liable for and agrees to hold the City and the Trustee harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the Company's use thereof; unless such loss is the result of the City's or the Trustee's gross negligence or willful misconduct. This provision shall survive termination of this Lease.

Section 10.2. Surrender of Possession. Upon accrual of the City's right of re-entry to the extent provided in **Section 12.2(b)** hereof, the Company shall peacefully surrender possession of the Project to the City in good condition and repair; provided, however, the Company may within 90 days (or such later date as the City may agree to) after the termination of this Lease remove from the Project Site any buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project. All repairs to and restorations of the Project required to be made because of such removal shall be made by and at the sole cost and expense of the Company, and during said 90-day (or extended) period the Company shall bear the sole responsibility for and bear the sole risk of loss for said buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and not constituting part of the Project. All buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the Company and which are not so removed from the Project before the expiration of said period shall be the separate and absolute property of the City.

Section 10.3. Right of Access to the Project. The City may conduct such periodic inspections of the Project as may be generally provided in the City's municipal code. In addition, the Company agrees that the City and the Trustee and their duly authorized agents may, at reasonable times during normal business hours and, except in the event of emergencies, upon not less than two Business Days' prior notice, subject to the Company's usual business propriety, safety, confidentiality and security requirements, enter upon the Project Site (a) to examine and inspect the Project without interference or prejudice to the Company's operations, (b) to monitor the acquisition, construction and installation provided for in **Section 4.2** hereof as may be reasonably necessary, (c) to examine all files, records, books and other materials in the Company's possession pertaining to the acquisition, installation or maintenance of the Project, (d) upon either (i) the occurrence and continuance of an Event of Default or (ii) the Company's failure to purchase the Project at the end of the Lease Term, to exhibit the Project to prospective purchasers, lessees or trustees.

Section 10.4. Granting of Easements; Leasehold Mortgages and Financing Arrangements.

(a) Subject to **Sections 10.4(c)** and **(d)**, if no Event of Default under this Lease has happened and is continuing, the Company may at any time or times (i) grant subleases (as permitted in **Section 13.1(b)** hereof), easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements that are for the direct use of the Project, or part thereof, by the grantee, (ii) release or terminate existing subleases, easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Company shall determine, or (iii) incur Permitted Encumbrances. The Company may take such actions and may execute any applicable documents in the Company's own name. No separate signature of or authorization from the City shall be required for the execution and delivery of any such document, although the City agrees to execute and deliver such confirming documents as are described below, under the procedures described below, if the Company chooses to make such a request. All third parties entering into agreements with the Company or receiving delivery of or the benefit of such agreements or documents shall be entitled to rely upon the same as having been executed and delivered by the City, unless such third party has actual or constructive notice, expressly in writing, that the agency herein granted by the City to the Company has been terminated by the City because of an uncured Event of Default hereunder. The City agrees that it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant, release or terminate any such sublease, easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the City and the Trustee of: (i) a copy of the instrument of grant, release or termination or of the agreement or other arrangement, (ii) a written application signed by an Authorized Company Representative requesting such instrument, and (iii) a certificate executed by an Authorized Company Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Company, will not impair the effective use or interfere with the efficient and economical operation of the Project, will not materially adversely affect the security intended to be given by or under the Indenture and will be a Permitted Encumbrance. If no Event of Default has happened and is continuing beyond any applicable grace period, any payments or other consideration received by the Company for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Company; but, subject to **Sections 10.4(c)** and **(d)**, upon (i) termination of this Lease for any reason other than the redemption of the Bonds and/or the purchase of the Project by the Company or (ii) the occurrence and continuance of an Event of Default by the Company, all rights then existing of the Company with respect to or under such grant shall inure to the benefit of and be exercisable by the City and the Trustee.

(b) The Company may mortgage or grant a deed of trust against the leasehold estate created by this Lease, with prior notice to but without the consent of the City, provided and upon condition that a duplicate original or certified copy or photostatic copy of each such mortgage or deed of trust, and the note or other obligation secured thereby, is delivered to the City within thirty (30) days after the execution thereof. The sale of the Company's leasehold estate at a foreclosure sale or trustee's sale under the Leasehold Mortgage or any assignment in lieu thereof shall not require the consent of the City, if (i) written notice of the proposed sale or assignment is provided to the City at least fifteen (15) days prior thereto, and (ii) before such sale or assignment, all payments then owing to the City under the Performance Agreement are paid.

(c) The City acknowledges and agrees that the Company may finance and refinance its rights and interests in the Project, this Lease and the leasehold estate created hereby and, in connection therewith, the Company may execute Financing Documents with one or more Financing Parties. Notwithstanding anything contained to the contrary in this Lease, the Company may, at any time and from time to time, with prior notice to but without the consent of the City (i) execute one or more Financing Documents upon the terms contained in this **Section 10.4** and (ii) sublease or assign this Lease, the leasehold estate, any sublease and rights in connection therewith, and/or grant liens or security interests therein, to any Financing Party. Any further sublease or assignment by any Financing Party shall be subject to the provisions of **Section 13.1(c)** hereof.

(d) Upon notice by the Company to the City in writing that the Company has executed one or more Financing Documents under which it has granted rights in this Lease to a Financing Party, which includes the name and address of such Financing Party, then the following provisions shall apply in respect of each such Financing Party:

(1) there shall be no merger of this Lease or of the leasehold estate created hereby with the fee title to the Project, notwithstanding that this Lease or said leasehold estate and said fee title shall be owned by the same Person or Persons, without the prior written consent of such Financing Party;

(2) the City shall serve upon each such Financing Party at the address, if any, provided to the City, a copy of each notice of the occurrence of an Event of Default and each notice of termination given to the Company under this Lease, at the same time as such notice is served upon the Company. No such notice to the Company shall be effective unless a copy thereof is thus served upon each Financing Party, provided that the sole responsibility of the City with respect to such notices is to deliver notices to the Financing Parties at those addresses supplied to the City pursuant hereto;

(3) each Financing Party shall have the same period of time which the Company has, after the service of any required notice upon it, within which to remedy or cause to be remedied any payment default under this Lease which is the basis of the notice plus thirty (30) days, and the City shall accept performance by such Financing Party as timely performance by the Company;

(4) the City may exercise any of its rights or remedies with respect to any other Event of Default by the Company, subject to the rights of the Financing Parties under this **Section 10.4(d)** as to such other events of default. Without limiting the generality of the foregoing, the holder of the Leasehold Mortgage may cause the sale of the leasehold interest of the Company to be sold at foreclosure sale conducted in accordance with applicable law and the terms of the Leasehold Mortgage, to accept assignment of this Lease in lieu of foreclosure and to

appoint a receiver for the Project, all without obtaining the prior written consent of the City but subject to the provisions of **Section 10.4(b)**;

(5) upon the occurrence and continuance of an Event of Default by the Company under this Lease, other than a default in the payment of money, the City shall take no action to effect a termination of this Lease by service of a notice or otherwise, without first giving notice thereof to each such Financing Party and permitting such Financing Party (or its designee, nominee, assignee or transferee) a reasonable time within which to remedy such default in the case of an Event of Default which is susceptible of being cured (provided that the period to remedy such Event of Default shall continue beyond any period set forth in this Lease to effect said cure so long as the Financing Party (or its designee, nominee, assignee or transferee) is diligently prosecuting such cure); provided that the Financing Party (or its designee, nominee, assignee or transferee) shall pay or cause to be paid to the City and the Trustee all reasonable out-of-pocket expenses, including reasonable counsel fees, court costs and disbursements incurred by the City or the Trustee in connection with any such default;

(6) the Financing Parties (and their designees, nominees, assignees or transferees) may enter, possess and use the Project at such reasonable times and manner as are necessary or desirable to effectuate the remedies and enforce their respective rights under the Financing Documents; and

(7) this Lease may not be modified, amended, canceled or surrendered by agreement between the City and the Company, without prior written consent of such Financing Party.

(e) In connection with the execution of one or more Financing Documents, upon the request of the Company, the City agrees to execute such documents as shall be reasonably requested by a Financing Party and which are usual and customary in connection with the closing of the financing or refinancing pursuant to the Financing Documents. The Company agrees to reimburse the City for any and all costs and expenses incurred by the City pursuant to this Section, including reasonable attorneys' fees and expenses, in complying with such request.

(f) Notwithstanding the foregoing, the City may agree to other provisions and documents requested by the Company or any Financing Party not contemplated by this **Section 10.4**, subject to approval by the Authorized City Representative.

Section 10.5. Indemnification of City and Trustee. The Company shall indemnify and save and hold harmless the City and the Trustee and their governing body members, officers, agents and employees from and against all claims, demands, costs, liabilities, damages or expenses, including reasonable attorneys' fees, by or on behalf of any Person, firm or corporation arising from the issuance of the Bonds and the execution of the Performance Agreement, this Lease or the Indenture and from the conduct or management of, or from any work or thing done in or on the Project during the Lease Term, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the Lease Term from (a) any condition of the Project, (b) any breach or default on the part of the Company in the performance of any of its obligations under the Performance Agreement, this Lease or any related document, (c) any contract entered into in connection with the construction and improvement of the Project, (d) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees, (e) unless the Company has been released from liability pursuant to **Section 13.1(c)** hereof, any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, (f) obtaining any applicable state and local sales and use tax exemptions for materials or goods that become

part of the Project, and (g) any violation of Section 107.170 of the Revised Statutes of Missouri, as amended; provided, however, the indemnification contained in this **Section 10.5** shall not extend to the City or Trustee to the extent that such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are (i) the result of work being performed at the Project by employees or agents of the City, or (ii) the result of gross negligence or willful misconduct by the City, its employees or agents, or the Trustee. Upon written notice from the City or the Trustee of any such claims or demand, the Company shall defend them or either of them in any such action or proceeding; provided, that the City shall cooperate with the Company and provide reasonable assistance in such defense. All costs related to the defense of the City or the Trustee shall be paid by the Company. This **Section 10.5** shall survive any termination of the Performance Agreement and this Lease or the satisfaction and discharge of the Indenture.

Section 10.6. Depreciation, Investment Tax Credit and Other Tax Benefits. The City agrees that any depreciation, investment tax credit or any other tax benefits with respect to the Project or any part thereof shall be made available to the Company, and the City will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation, investment tax credit or other tax benefits.

Section 10.7. Company to Maintain its Existence. The Company agrees that until the Bonds are paid or payment is provided for in accordance with the terms of the Indenture, it will maintain its existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, the Company may, without violating the agreement contained in this Section, consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it, or may sell or otherwise transfer to another Person all or substantially all of its assets as an entirety and thereafter dissolve or convert into a different type of legal entity, if the surviving, resulting or transferee Person expressly assumes in writing all the obligations of the Company contained in this Lease, and the surviving, resulting or transferee Person (other than Commercial Lending Bank or any other Financing Party) either (a) has a long-term-debt rating or is controlled by or under common control with an entity with a long-term debt rating in any of the top three long-term-debt rating categories by any nationally recognized rating service, (b) is controlled by, under common control with or controls the Company, or (c) is otherwise approved by the City Council.

Section 10.8. Security Interests. The City and the Company hereby authorize the Trustee to file all appropriate financing and continuation statements as may be required under the Uniform Commercial Code in order to fully preserve and protect the security of the Owners and the rights of the Trustee under the Indenture. Upon the written instructions of the Owners or pledgees of 100% of the Bonds then Outstanding, the Trustee shall file all instruments the Owners deem necessary to be filed and shall continue or cause to be continued such instruments for so long as the Bonds are Outstanding. The City and the Company shall cooperate with the Trustee in this regard by providing such information as the Trustee may require to file or to renew such statements.

Section 10.9. Environmental Matters, Warranties, Covenants and Indemnities Regarding Environmental Matters.

(a) As used in this Section, the following terms have the following meanings:

“Environmental Laws” means any now-existing or hereafter enacted or promulgated federal, state, local, or other law, statute, ordinance, order, rule, regulation or court order pertaining to (i) environmental protection, regulation, contamination or clean-up, (ii) toxic waste, (iii) underground storage tanks, (iv) asbestos or asbestos-containing materials, or (v) the handling, treatment, storage, use or

disposal of Hazardous Substances, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act, all as amended from time to time.

“Hazardous Substances” means all (i) “hazardous substances” (as defined in 42 U.S.C. §9601(14)), (ii) “chemicals” subject to regulation under Title III of the Superfund Amendments and Reauthorization Act of 1986, as amended from time to time (iii) natural gas liquids, liquefied natural gas or synthetic gas, (iv) any petroleum, petroleum-based products or crude oil, or (v) any other hazardous or toxic substances, wastes or materials, pollutants, contaminants or any other substances or materials which are included under or regulated by any Environmental Law.

(b) The Company warrants and represents to the City and the Trustee that, to the knowledge of the Company, there are no conditions on the Project Site which materially violate any applicable Environmental Laws and no claims or demands have been asserted or made in writing by any third parties arising out of, relating to or in connection with any Hazardous Substances on, or allegedly on, the Project Site for any injuries suffered or incurred, or allegedly suffered or incurred, by reason of the foregoing.

(c) The Company will provide the City and the Trustee with copies of any notifications of releases of Hazardous Substances or of any environmental hazards or potential hazards in material violation of Environmental Laws which are given by or on behalf of the Company to any federal, state or local or other agencies or authorities or which are received by the Company from any federal, state or local or other agencies or authorities with respect to the Project Site. Such copies shall be sent to the City and the Trustee concurrently with their being mailed or delivered to the governmental agencies or authorities or within ten days after they are made or received by the Company. The Company will provide to the City for review only, any environmental assessment (“Assessments”) and reports regarding the correction or remediation of material environmental issues required by Environmental Laws to be addressed in the Assessment (“Reports”) concerning the Project Site and the Project Improvements; upon the completion of the City’s review of the Assessments and the Reports, the City shall immediately return to the Company all originals and copies of the Assessments and Reports.

(d) The Company warrants and represents that it will provide the City and the Trustee with copies of all emergency and hazardous chemical inventory forms (hereinafter “Environmental Notices”) concerning Hazardous Substances on the Project Site sent to any such governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. §11001 *et seq.*, or any other applicable Environmental Laws. Such copies of Environmental Notices shall be sent to the City and the Trustee concurrently with their being mailed to any such governmental authority or agency.

(e) The Company will use its reasonable best efforts to comply with and operate and at all times use, keep and maintain the Project and every part thereof (whether or not such property constitutes a facility, as defined in 42 U.S.C. § 9601 *et seq.*) in material conformance with all applicable Environmental Laws. Without limiting the generality of the foregoing, the Company will not use, generate, treat, store, dispose of or otherwise introduce any Hazardous Substance into or on the Project or any part thereof nor cause, suffer, allow or permit anyone else to do so except in the ordinary course of the operation of the Company’s business and in material compliance with all applicable Environmental Laws.

(f) The Company agrees to indemnify, protect and hold harmless the City and the Trustee and their directors, officers, shareholders, officials or employees from and against any and all claims, demands, costs, liabilities, damages or expenses, including reasonable attorneys’ fees, arising from (i) any

release (as defined in 42 U.S.C. § 9601 (22)), actual or alleged, of any Hazardous Substances, upon the Project or respecting any products or materials previously, now or thereafter located upon the Project, regardless of whether such release or alleged release has occurred before the date hereof or hereafter occurs and regardless of whether such release or alleged release occurs as a result of any act, omission, negligence or misconduct of the Company or any third party or otherwise (except to the extent such release occurs as a result of any negligent omission or misconduct of the City), (ii) (A) any violation now existing or hereafter arising (actual or alleged) of, or any other liability under or in connection with, any applicable Environmental Laws relating to or affecting the Project, or (B) any violation now existing or hereafter arising, or any other liability, under or in connection with, any applicable Environmental Laws relating to any products or materials previously, now or hereafter located upon the Project, regardless of whether such violation or alleged violation or other liability is asserted or has occurred or arisen before the date hereof or hereafter is asserted or occurs or arises and regardless of whether such violation or alleged violation or other liability occurs or arises, as the result of any act, omission, negligence or misconduct of the Company or any third party or otherwise (except to the extent such release occurs as a result of any act, negligent omission or misconduct of the City), (iii) any assertion by any third party of any claims or demands for any loss or injury arising out of, relating to or in connection with any Hazardous Substances on or allegedly on the Project Site, or (iv) any material breach, falsity or failure of any of the representations, warranties, covenants and agreements contained in this Section; provided, however, that the Company's obligations under this **Section 10.9(f)** shall not apply to the extent such claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, are the result of (A) work being performed at the Project by employees or agents of the City or activity that occurred prior to the effective date of this Lease, (B) gross negligence or willful misconduct by the City, its employees or agents or the Trustee, or (C) breach of this Lease, the Performance Agreement or the Bond Purchase Agreement by the City. The City shall cooperate with the Company in the defense of any matters included within the foregoing indemnity without any obligation to expend money. This **Section 10.9(f)** shall survive any termination of this Lease.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE PROJECT

Section 11.1. Option to Purchase the Project. Provided that (i) there is no Event of Default hereunder or under the Performance Agreement, and (ii) no facts or circumstances exist which, with the passage of time and/or the giving of notice would give rise to an Event of Default hereunder or under the Performance Agreement, the Company shall have, and is hereby granted, the option to purchase all or any portion of the Project, upon payment in full or redemption of the Outstanding Bonds to be redeemed or provision for their payment or redemption having been made pursuant to **Article XIII** of the Indenture. To exercise such option, the Company shall give written notice to the City and to the Trustee, and shall specify therein the requested date of closing of such purchase, which date shall be not less than 15 nor more than 90 days from the date such notice is mailed, and, in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Company in the event of its exercise of the option granted in this Section shall be the sum of the following:

- (a) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to redeem all or a portion of the then-Outstanding Bonds on the earliest redemption date next succeeding the closing date, including, without limitation, principal and interest to accrue to said redemption date and redemption expense; plus

(b) an amount of money equal to the Trustee's and the Paying Agent's agreed to and reasonable fees, charges and expenses under the Indenture accrued and to accrue until such redemption of the Bonds; plus

(c) an amount of money equal to the City's reasonable charges and expenses incurred in connection with the Company exercising its option to purchase all or a portion of the Project; plus

(d) an amount of money equal to all payments due and payable pursuant to the Performance Agreement through the end of the calendar year in which the date of purchase occurs; plus

(e) the sum of \$1.00.

At its option, to be exercised at least 5 days before the date of closing such purchase, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon.

Section 11.2. Conveyance of the Project. At the closing of the purchase of the Project pursuant to this Article, the City will upon receipt of the purchase price deliver to the Company the following:

(a) a release from the Trustee of the Project from the lien and/or security interest of the Indenture and this Lease and appropriate termination of financing statements as required under the Uniform Commercial Code; and

(b) documents, including without limitation a special warranty deed as to the Project Site, conveying to the Company legal title to the Project, as it then exists, in recordable form, subject to the following: (i) those liens and encumbrances, if any, to which title to the Project was subject as of the date of this Lease; (ii) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreement on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the Project or any part thereof is being condemned, the rights and title of any condemning authority.

Section 11.3. Relative Position of Option and Indenture. The option to purchase the Project granted to the Company in this Article shall be and remain prior and superior to the Indenture; provided that such option will not result in nonfulfillment of any condition to the exercise of such option (including the payment of all amounts specified in **Section 11.1** hereof) and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Project. Provided that there is no Event of Default hereunder or under the Performance Agreement, that no facts or circumstances exist which, with the passage of time and/or the giving of notice would give rise to an Event of Default hereunder or under the Performance Agreement, and all other conditions set forth herein have been satisfied, the Company hereby agrees to purchase, and the City hereby agrees to sell, the Project upon the occurrence of the following: (a) full payment of the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and (b) the final payment due under the Performance

Agreement. The amount of the purchase price under this Section shall be an amount sufficient to redeem all the then Outstanding Bonds, plus accrued interest and the reasonable fees and expenses of the City and the Trustee. Notwithstanding the foregoing, the Company may deliver to the Trustee for cancellation Bonds not previously paid, and the Company shall receive a credit against the purchase price payable by the Company in an amount equal to 100% of the principal amount of the Bonds so delivered for cancellation, plus the accrued interest thereon.

ARTICLE XII

DEFAULTS AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events occurs and is continuing, it is hereby defined as and declared to be and to constitute an “Event of Default” under this Lease:

(a) default in the due and punctual payment of Basic Rent or Additional Rent within 10 days after written notice thereof from the City to the Company; or

(b) default in the due observance or performance of any other covenant, agreement, obligation or provision of this Lease on the Company’s part to be observed or performed, and such default continues for 60 days after the City or the Trustee has given the Company written notice specifying such default (or such longer period as is reasonably required to cure such default, provided that (i) the Company has commenced such cure within said 60-day period, and (ii) the Company diligently prosecutes such cure to completion); or

(c) the Company: (i) admits in writing its inability to pay its debts as they become due; or (ii) files a petition in bankruptcy or for reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code as now or in the future amended or any other similar present or future federal or state statute or regulation, or files a pleading asking for such relief; or (iii) makes an assignment for the benefit of creditors; or (iv) consents to the appointment of a trustee, receiver or liquidator for all or a major portion of its property or fails to have the appointment of any trustee, receiver or liquidator made without the Company’s consent or acquiescence, vacated or set aside; or (v) is finally adjudicated as bankrupt or insolvent under any federal or state law; or (vi) is subject to any proceeding, or suffers the entry of a final and non-appealable court order, under any federal or state law appointing a trustee, receiver or liquidator for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, as now or in the future amended, which order or proceeding, if not consented to by it, is not dismissed, vacated, denied, set aside or stayed within 90 days after the day of entry or commencement; or (vii) suffers a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside; or

(d) The occurrence and continuance of an Event of Default by the Company under the Performance Agreement, as defined in **Section 6.1** thereof.

Section 12.2. Remedies on Default. If any Event of Default referred to in **Section 12.1** hereof has occurred and continues beyond the period provided to cure, then the City may at the City's election (subject, however, to any restrictions against acceleration of the maturity of the Bonds or termination of this Lease in the Indenture), then or at any time thereafter, and while such default continues, take any one or more of the following actions, in addition to the remedies provided in **Section 12.5** hereof:

(a) cause all amounts payable with respect to the Bonds for the remainder of the term of this Lease to become due and payable, as provided in the Indenture; or

(b) give the Company written notice of intention to terminate this Lease on a date specified therein, which date shall not be earlier than 60 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the Owners shall tender or be deemed to have tendered the Outstanding principal amount of the Bonds for cancellation with instruction that such tender is in lieu of payment in accordance with **Section 11.1** hereof, the Company's rights to possession of the Project shall cease and this Lease shall thereupon be terminated, and the City may re-enter and take possession of the Project. Notwithstanding the foregoing, the City agrees that the Company shall not be in default under this Lease unless written notice specifying such default is given to each mortgagee under a Leasehold Mortgage, if any, and each Financing Party under the Financing Documents (if any) identified to the City by the Company (collectively, the "Additional Notice Parties"). The City agrees that each of the Additional Notice Parties shall have the right to cure or commence to cure such default on behalf of the Company within 30 days after the receipt of such notice, plus all additional rights benefitting a mortgagee under a Leasehold Mortgage or a Financing Party under **Section 10.4** or elsewhere in this Lease.

Section 12.3. Survival of Obligations. The Company covenants and agrees with the City and Owners that its obligations under this Lease shall survive the cancellation and termination of this Lease, for any cause, and that the Company shall continue to pay the Basic Rent and Additional Rent (to the extent the Bonds remain Outstanding) and perform all other obligations provided for in this Lease, all at the time or times provided in this Lease; provided, however, that upon the payment of all Basic Rent and Additional Rent required under **Article V** hereof, and upon the satisfaction and discharge of the Indenture under **Section 1301** thereof, and upon the Company's exercise of the purchase option contained in **Article XI** hereof, the Company's obligation under this Lease shall thereupon cease and terminate in full, except that obligations with respect to compensation and indemnification of the City and the Trustee shall not so terminate.

Section 12.4. Performance of the Company's Obligations by the City. Upon an Event of Default, the City, or the Trustee in the City's name, may (but shall not be obligated so to do) upon the continuance of such failure on the Company's part for 60 days after written notice of such failure is given the Company by the City or the Trustee, and without waiving or releasing the Company from any obligation hereunder, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all reasonable sums so paid by the City or the Trustee and all necessary incidental reasonable costs and expenses incurred by the City or the Trustee (including, without limitation, attorney's fees and expenses) in performing such obligations shall be deemed Additional Rent and shall be paid to the City or the Trustee on demand, and if not so paid by the Company, the City or the Trustee shall have the same rights and remedies provided for in **Section 12.2** hereof in the case of default by the Company in the payment of Basic Rent.

Section 12.5. Rights and Remedies Cumulative. The rights and remedies reserved by the City and the Company hereunder are in addition to those otherwise provided by law and shall be

construed as cumulative and continuing rights. No one of them shall be exhausted by the exercise thereof on one or more occasions. The City and the Company shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Lease, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. Notwithstanding anything in this Section 12.5 or elsewhere in the Lease to the contrary, however, the Company's option to purchase the Project provided in Article XI hereof shall not be terminated upon an Event of Default unless and until this Lease is terminated to the extent permitted pursuant to **Section 12.2(b)** hereof.

Section 12.6. Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by the Company of any covenant, agreement or undertaking by the Company, the City may nevertheless accept from the Company any payment or payments hereunder without in any way waiving City's right to exercise any of its rights and remedies provided for herein with respect to any such default or defaults of the Company which were in existence at the time such payment or payments were accepted by the City.

Section 12.7. Trustee's Exercise of the City's Remedies. Whenever any Event of Default has occurred and is continuing, the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the City under this Article, upon notice as required of the City unless the City has already given the required notice. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture.

ARTICLE XIII

ASSIGNMENT AND SUBLEASE

Section 13.1. Assignment; Sublease.

(a) The Company may assign, transfer, encumber or dispose of this Lease or any interest herein or part hereof for any lawful purpose under the Act. Except as otherwise provided in this Section, the Company must obtain the City's prior written consent by the City Council to any such disposition, unless such disposition is to an entity controlled by or under common control with or controlling the Company.

(b) With respect to any assignment, the Company shall comply with the following conditions:

(i) The Company shall notify the City of the assignment in writing;

(ii) Such assignment shall be in writing, duly executed and acknowledged by the assignor and in proper form for recording;

(iii) Such assignment shall include the entire then unexpired term of this Lease; and

(iv) A duplicate original of such assignment shall be delivered to the City and the Trustee within 10 days after the execution thereof, together with an assumption agreement, duly executed and acknowledged by the assignee and in proper form for recording, by which the

assignee shall assume all of the terms, covenants and conditions of this Lease on the part of the Company to be performed and observed.

(c) Any assignee of all the rights of the Company shall agree to be bound by the terms of this Lease, the Performance Agreement and any other documents related to the issuance of the Bonds. Upon such assignment of all the rights of the Company and agreement by the assignee to be bound by the terms of this Lease, the Performance Agreement and any other documents related to the Bonds, the Company shall be released from and have no further obligations under this Lease, the Performance Agreement or any agreement related to the issuance of the Bonds.

(d) The Company shall have the right to sublet all or any part of the Project to a single entity for any lawful purpose under the Act. The Company shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and correct copy of each such sublease. Any sublease may provide, at the Company's option, that the City's consent shall not be required in respect of any further subletting thereunder if such further subletting is for a similar purpose as the original sublease and is for a purpose permissible under the Act.

(e) The terms of this **Section 13.1** shall not apply to a Leasehold Mortgage, if any, and each Financing Party under the Financing Documents (if any).

Section 13.2. Assignment of Revenues by City. The City shall assign and pledge any rents, revenues and receipts receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of, interest and premium, if any, on the Bonds and the Company hereby consents to such pledge and assignment. The City and the Company recognize that the Trustee is a third party creditor-beneficiary of this Lease.

Section 13.3. Prohibition Against Fee Mortgage of Project. The City shall not mortgage its fee interest in the Project, but may assign its interest in and pledge any moneys receivable under this Lease to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 13.4. Restrictions on Sale or Encumbrance of Project by City. During the Lease Term, the City agrees that, except to secure the Bonds to be issued pursuant to the Indenture and except to enforce its rights under **Section 12.2(b)** hereof, it will not sell, assign, encumber, mortgage, transfer or convey the Project or any interest therein, except that the City may sublease any portion of the Project subleased to it by the Company or an entity related to the Company.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the issuance of Bonds and before the payment in full of the Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, given in accordance with the provisions of the Indenture, which consent, however, shall not be unreasonably withheld, and the written consent of all of the Bondowners and the written consent of any mortgagee under any Leasehold Mortgage (if any) and Financing Party under the Financing Documents (if any).

ARTICLE XV

MISCELLANEOUS PROVISIONS

Section 15.1. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be governed by **Section 1403** of the Indenture.

Section 15.2. City Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the City shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the City shall not unreasonably, arbitrarily or unnecessarily condition, withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules; provided, however, that nothing in this Lease shall be interpreted to affect the City's rights to approve or deny any additional project or matter unrelated to the Project subject to zoning, building permit or other regulatory approvals by the City.

Section 15.3. Net Lease. The parties hereto agree (a) that this Lease shall be deemed and construed to be a net lease, (b) that the payments of Basic Rent are designed to provide the City and the Trustee funds adequate in amount to pay all principal of and interest accruing on the Bonds as the same become due and payable, (c) that to the extent that the payments of Basic Rent are not sufficient to provide the City and the Trustee with funds sufficient for the purposes aforesaid, the Company shall be obligated to pay, and it does hereby covenant and agree to pay, upon demand therefor, as Additional Rent, such further sums of money, in cash, as may from time to time be required for such purposes, and (d) that if after the principal of and interest on the Bonds and all costs incident to the payment of the Bonds (including the fees and expenses of the City and the Trustee) have been paid in full the Trustee or the City 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 Company 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 Company (subject to the rights of any mortgagee under a Leasehold Mortgage and any other Financing Party under the Financing Documents).

Section 15.4. Limitation on Liability of City. No provision, covenant or agreement contained in this Lease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the City, or the breach thereof, shall constitute or give rise to or impose upon the City a pecuniary liability or a charge upon the general credit or taxing powers of the City or the State of Missouri.

Section 15.5. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 15.6. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the City and the Company and their respective successors and assigns.

Section 15.7. Severability. If for any reason any provision of this Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 15.8. Electronic Storage. The parties hereto agree that 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.

Section 15.9. Execution in Counterparts. This Lease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 15.10 Complete Agreement. THE COMPANY AND THE CITY UNDERSTAND THAT ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT THE COMPANY AND THE CITY FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS THE COMPANY AND THE CITY REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS LEASE AND IN THE PERFORMANCE AGREEMENT, WHICH ARE THE COMPLETE AND EXCLUSIVE STATEMENTS OF THE AGREEMENT BETWEEN THE COMPANY AND THE CITY, EXCEPT AS THE COMPANY AND THE CITY MAY LATER AGREE IN WRITING TO MODIFY THIS LEASE AND THE PERFORMANCE AGREEMENT.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their duly authorized signatories, all as of the date first above written.

CITY OF GLADSTONE, MISSOURI



[SEAL]

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

ATTEST:

By: Becky Jarrett
Name: Becky Jarrett
Title: Deputy City Clerk

PARKSIDE INVESTORS, LLC,
a Missouri limited liability company

By: 
Name: Joe Christensen
Title: Member Manager

EXHIBIT A

PROJECT SITE

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING.** CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **POINT OF BEGINNING.** CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

EXHIBIT B

PROJECT IMPROVEMENTS

The Project Improvements consist of the construction of an approximately 220 unit apartment complex and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds.

EXHIBIT C

[RESERVED]

EXHIBIT D

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: SECURITY BANK OF KANSAS CITY, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF DECEMBER 1, 2021, BETWEEN THE CITY OF GLADSTONE, MISSOURI, AND THE TRUSTEE, AND LEASE AGREEMENT DATED AS OF DECEMBER 1, 2021, BETWEEN THE CITY OF GLADSTONE, MISSOURI, AND PARKSIDE INVESTORS, LLC

The undersigned hereby requests that a total of \$_____ be paid for Project Costs (as defined in said Lease) in such amounts, to such payees and for such purposes as set forth on **Schedule 1** attached hereto.

We hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, installation and equipping of the Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid by the Company for the assets listed on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund; (ii) as of this date, except for the amounts referred to above, there are no, to the best of our knowledge, outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, installation and equipping of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof; and (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to said Lease.

PARKSIDE INVESTORS, LLC

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

<u>Payee and Address</u>	<u>Description</u>	<u>Amount</u>
--------------------------	--------------------	---------------

APPENDIX I

Form of Performance Agreement

See Document No. 4

Recorded in Clay County, Missouri

Date and Time: 01/12/2022 at 03:41:56 PM

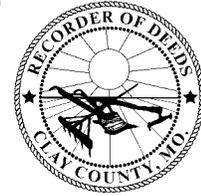
Instrument Number: 2022001456

Book: 9281 Page: 9

Instrument Type: AGR

Page Count: 7

Recording Fee: \$42.00 S



Electronically Recorded

Katee Porter, Recorder

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT: MEMORANDUM OF LEASE AGREEMENT

DATE OF DOCUMENT: As of December 1, 2021

GRANTOR: CITY OF GLADSTONE, MISSOURI

GRANTOR'S MAILING ADDRESS: 7010 North Holmes
Gladstone, Missouri 64118
Attn: City Manager

GRANTEE: PARKSIDE INVESTORS, LLC

GRANTEE'S MAILING ADDRESS: 1539 Swift Street
North Kansas City, Missouri 64116

RETURN DOCUMENTS TO: Richard C. McConnell
Armstrong Teasdale LLP
2345 Grand Blvd, Suite 1500
Kansas City, Missouri 64108

LEGAL DESCRIPTION: See **Exhibit A** attached hereto and incorporated herein

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT, gives notice of, ratifies and confirms the Lease Agreement dated as of December 1, 2021 (the “Lease”), between the **CITY OF GLADSTONE, MISSOURI**, a third-class city and municipal corporation organized and existing under the laws of the State of Missouri (the “City”), as lessor, and **PARKSIDE INVESTORS, LLC**, a Missouri limited liability company (the “Company”), as lessee.

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend, equip and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, office industry, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City approved Ordinance No. 4.577 (the “Ordinance”) on December 13, 2021, approving a plan for industrial development for the benefit of the Company, and authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in a maximum principal amount of \$35,380,000 (the “Bonds”), for the purpose of paying the costs of a portion of the Project (defined below) consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds (the “Project”), located on certain real property in the City (the “Project Site,” as more fully described on **Exhibit A** hereto).

3. Pursuant to the Ordinance, the City is authorized to enter into a Trust Indenture dated as of December 1, 2021 (the “Indenture”) with Security Bank of Kansas City, Gladstone, Missouri, as Trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, as therein provided, and to enter into the Lease with the Company under which the City will acquire the Project and the City, as lessor, will or will cause the Company to purchase and install the Project, and will lease the Project as it may at any time exist, to the Company, as lessee, in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

4. Pursuant to the foregoing, the City desires to lease the Project to the Company and the Company desires to lease the Project from the City, for the rentals and upon the terms and conditions set forth in the Lease.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements contained in the Lease, the City and the Company do represent, covenant and agree as follows:

1. **Granting of Leasehold Estate.** The City exclusively rents, leases and lets the Project to the Company, and the Company rents, leases and hires the Project from the City, subject to Permitted Encumbrances existing as of the date of the execution and delivery of the Lease, for the rentals and upon and subject to the terms and conditions contained in the Lease.

2. Lease Term. The Lease shall become effective upon its execution and delivery. Subject to earlier termination pursuant to the provisions of the Lease, the lease of the Project shall terminate on December 1, 2042.

3. Basic Rent. The Company covenants and agrees to pay to the Trustee in same day funds for the account of the City during the Lease Term, on or before 11:00 a.m., Trustee's local time, on each Payment Date, as Basic Rent for the Project, an amount which, when added to any collected funds then on deposit in the Bond Fund and available for the payment of principal on the Bonds and the interest thereon on such Payment Date, shall be equal to the amount payable on such Payment Date as principal of the Bonds and the interest thereon as provided in the Indenture.

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

[Remainder of Page Intentionally Left Blank.]

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

PARKSIDE INVESTORS, LLC

By: 
Name: Joe Christensen
Title: Member Manager

STATE OF Missouri)
) SS.
COUNTY OF Clay)

On this 20th day of December, 2021, before me, the undersigned, a Notary Public in and for said State, appeared Joe Christensen, to me personally known, who, being by me duly sworn, did say that (s)he is the Member of **PARKSIDE INVESTORS, LLC**, a Missouri limited liability company, and that said instrument was signed on behalf of said limited liability company by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.


Name: Kurt Nielsen
Notary Public in and for said State

My Commission Expires: 1/31/24

KURT NIELSEN
Notary Public - Notary Seal
Clay County - State of Missouri
Commission Number 16198321
My Commission Expires Jan 31, 2024

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX



CITY OF GLADSTONE, MISSOURI

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

[SEAL]

ATTEST:

By: Becky Jarrett
Becky Jarrett, Deputy City Clerk

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this 11th day of December, 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**, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

Rebecca Jarrett
Name: Rebecca Jarrett
Notary Public in and for said State

My Commission Expires:

REBECCA JARRETT Notary Public - Notary Seal STATE OF MISSOURI Clay County My Commission Expires: November 11, 2022 Commission #14392947
--

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

[Memorandum of Lease Agreement]

**EXHIBIT A
PROJECT SITE**

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY

COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING. CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE POINT OF BEGINNING. CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021

DATED AS OF DECEMBER 1, 2021

BOND PURCHASE AGREEMENT

City of Gladstone, Missouri
Gladstone, Missouri

Ladies and Gentlemen:

On the basis of the representations and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, Parkside Investors, LLC, a Missouri limited liability company (the “Purchaser”), offers to purchase from the City of Gladstone, Missouri (the “City”), the above-referenced series of Taxable Industrial Development Revenue Bonds (the “Bonds”), to be issued by the City under and pursuant to Ordinance No. 4.577 approved and passed by the governing body of the City on December 13, 2021 (the “Ordinance”), and a Trust Indenture dated as of December 1, 2021 (the “Indenture”), by and between the City and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Trustee”). *Capitalized terms not otherwise defined herein shall have the meanings set forth in Section 101 of the Indenture.*

SECTION 1. REPRESENTATIONS AND AGREEMENTS

(a) By the City’s acceptance hereof, the City hereby represents to the Purchaser that:

(1) The City is a third class city and political subdivision duly organized and validly existing under the laws of the State of Missouri. The City is authorized under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended, to authorize, issue and deliver the Bonds and to consummate all transactions contemplated by this Bond Purchase Agreement, the Ordinance, the Indenture, the Lease, the Performance Agreement and any and all other agreements relating thereto. The proceeds of the Bonds shall be used to finance the Project for Parkside Investors, LLC, a Missouri corporation (the “Company”), and to pay for the costs incurred in connection with the issuance of the Bonds;

(2) There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act leading up to the issuance of the Bonds or the constitutionality or validity of the obligations represented by the

Bonds or the validity of the Bonds, the Ordinance, the Lease, the Indenture or the Performance Agreement; and

(3) Any certificate signed by an authorized representative of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to such party as to the statements made therein.

(b) The Purchaser represents as follows:

(1) *Organization.* The Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri;

(2) *No Conflict or Breach.* The execution, delivery and performance of this Bond Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

(3) *Documents Legal, Valid and Binding.* When executed and delivered by the Purchaser, this Bond Purchase Agreement will be, and is, a legal, valid and binding obligation, enforceable in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and further subject to the availability of equitable remedies; and

(4) *Purchaser's Certificates.* Any certificate signed by an authorized officer or agent of the Purchaser and delivered to the City shall be deemed a representation and warranty by the Purchaser to such party as to the statements made therein.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth and in the Indenture, the Purchaser agrees to purchase from the City and the City agrees to sell to the Purchaser the Bonds on the terms and conditions set forth herein.

The Bonds shall be sold to the Purchaser by the City on the Closing Date (hereinafter defined) upon payment of an amount equal to the Closing Price (hereinafter defined) for the Bonds, which amount shall be deposited in the Project Fund as provided in the Indenture and shall thereafter on the Closing Date immediately be applied to the payment of Project Costs as provided in the Lease. From time to time after the Closing Date as additional Project Costs are incurred, the Purchaser may make additional payments with respect to the Bonds ("Additional Payments") to the Trustee, which Additional Payments shall be deposited in the Project Fund and applied to the payment of Project Costs or as provided in the Indenture and the Lease; provided that the sum of the Closing Price and all such Additional Payments for the Bonds shall not, in the aggregate, exceed \$35,380,000.

As used herein, the term “Closing Date” shall mean December 21, 2021, or such other date as shall be mutually agreed upon by the City and the Purchaser; the term “Closing Price” shall mean, with respect to the Bonds, that certain amount specified in writing by the Purchaser and agreed to by the City as the amount required to fund the initial disbursement from the Project Fund on the Closing Date.

The Bonds shall be issued under and secured as provided in the Ordinance and in the Indenture and the Lease authorized thereby and the Bonds shall have the maturity, interest rate and shall be subject to redemption as set forth therein. The delivery of the Bonds shall be made in definitive form as a fully registered bond in the maximum aggregate principal denomination of \$35,380,000; provided, that the principal amount of the Bonds outstanding at any time shall be that amount recorded in the official bond registration records of the Trustee and further provided that interest shall be payable on the Bonds only on the outstanding principal amount of the Bonds, as more fully provided in the Indenture.

The Company agrees to indemnify and hold harmless the City, the Trustee, and any member, officer, official or employee of the City or of the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the “Indemnified Parties”), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by the Company of, or failure by the Company to comply with, any federal or state securities laws in connection with the Bonds.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against the Company, the Indemnified Parties shall promptly notify the Company in writing and the Company shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Company. The Company shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Company or if there be a final judgment for the plaintiff in any such action against the Company or any of the Indemnified Parties, with or without the consent of the Company, the Company agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

SECTION 3. CONDITIONS TO THE PURCHASER’S OBLIGATIONS

The Purchaser’s obligations hereunder shall be subject to the due performance by the City of the City’s obligations and agreements to be performed hereunder on or prior to the Closing Date and to the accuracy of and compliance with the City’s representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) There shall be delivered to the Purchaser on or prior to the Closing Date a duly executed copy of the Ordinance, the Indenture, the Performance Agreement, this Bond Purchase Agreement and the Lease and any other instrument contemplated thereby and such documents shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Purchaser;

(b) The City shall confirm on the Closing Date by a certificate that at and as of the Closing Date the City has taken all action necessary to issue the Bonds and that there is no controversy, suit or other proceeding of any kind pending or threatened wherein any question is raised affecting in any way the legal organization of the City or the legality of any official act

shown to have been done in the transcript of proceedings leading up to the issuance of the Bonds, or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of the Bonds or any proceedings in relation to the issuance or sale thereof;

(c) The Company shall execute a certificate, dated the Closing Date, to the effect that (i) no litigation, proceeding or investigation is pending against the Company or its affiliates or, to the knowledge of the Company, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Bonds, or (B) in any way contest the existence or powers of the Company, (ii) no litigation, proceeding or investigation is pending or, to the knowledge of the Company, threatened against the Company that could reasonably be expected to adversely affect its ability to perform its obligations hereunder, (iii) the representations and warranties of the Company herein were and are true and correct in all material respects and not misleading as of the date made and as of the Closing Date, and (iv) such other matters as are reasonably requested by the other parties in connection with the issuance of the Bonds; and

(d) Receipt by the Purchaser and the Company of an approving opinion from Armstrong Teasdale LLP in form and substance satisfactory to the Purchaser and the Company.

SECTION 4. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligation hereunder to purchase the Bonds by notifying the City in writing of its election to make such cancellation at any time prior to the Closing Date.

SECTION 5. CONDITIONS OF OBLIGATIONS

The obligations of the parties hereto are subject to the receipt of the approving opinion of Armstrong Teasdale LLP, Bond Counsel, with respect to the validity of the authorization and issuance of the Bonds in form and substance satisfactory to the Purchaser.

SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the representations and agreements by either party shall remain operative and in full force and effect, and shall survive delivery of the Bonds to the Purchaser.

SECTION 7. PAYMENT OF EXPENSES

The Company shall pay all reasonable expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds. To the best of the City's knowledge and belief, the only expenses payable by the Company in connection with the issuance of the Bonds are the following: (1) the legal fees of Armstrong Teasdale LLP in the amount of \$45,000.00, (2) the fees of Development Dynamics for preparing the cost benefit analysis in the amount of \$3,150.00, (3) the Trustee's initial acceptance fee and first year's administrative fee totaling \$2,750.00, and (4) the legal fees of Williams & Campo, P.C. as attorneys for the City in the amount of \$12,000.00.

SECTION 8. NOTICE

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the City of Gladstone, Missouri, 7010 North Holmes, Gladstone, Missouri 64118, Attention: City Manager; any notice or other communication to be given to the Purchaser or the Company under this Agreement may be given by delivering the same in writing to the following:

Parkside Investors, LLC
1539 Swift Street
North Kansas City, Missouri 64116

With a copy to:

Withers, Brant, Igoe & Mullennix P.C.
2 South Main
Liberty, Missouri 64068
Attn: Isaac Freestone

SECTION 9. APPLICABLE LAW; ASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri and may be assigned by the Purchaser with the written consent of the City.

SECTION 10. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[Remainder of this page intentionally left blank]

Very truly yours,

PARKSIDE INVESTORS LLC,
as Purchaser

Date of Execution:

December 20th, 2021

By: 

Name: Joe Christensen

Title: Member Manager

Accepted and Agreed to this ____ day of December, 2021.

CITY OF GLADSTONE, MISSOURI



[SEAL]

ATTEST:

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

By: Becky Jarrett
Name: Becky Jarrett
Title: Deputy City Clerk

Accepted and Agreed to this 20th day of December, 2021.

PARKSIDE INVESTORS, LLC, as Company

By: 
Name: Joe Christensen
Title: Member Manager

CERTIFICATE AS TO CLOSING PRICE

relating to

**CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

Pursuant to **Section 2** of the Bond Purchase Agreement dated as of December 1, 2021, between the City of Gladstone, Missouri and Parkside Investors, LLC (the "Purchaser"), the Purchaser hereby certifies that the Closing Price with respect to the above-referenced bonds is \$ 62,900.00.

Dated: December 10th, 2021

PARKSIDE INVESTORS, LLC

By: 

Name: _____

Title: _____

Joe Christensen
Member Manager

The Closing Price set forth above is hereby agreed to on the date first above written.

CITY OF GLADSTONE, MISSOURI

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

PERFORMANCE AGREEMENT

Dated as of December 1, 2021

BETWEEN

CITY OF GLADSTONE, MISSOURI

AND

PARKSIDE INVESTORS, LLC

Prepared By:

**Armstrong Teasdale LLP
Kansas City, Missouri**

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of December 1, 2021, as from time to time amended and supplemented in accordance with the provisions hereof (this “Agreement”), is between the **CITY OF GLADSTONE, MISSOURI**, a third class city and political subdivision duly organized and existing under the laws of the State of Missouri (the “City”), and **PARKSIDE INVESTORS, LLC**, a limited liability company organized and existing under the laws of the State of Missouri (the “Company”).

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “**Act**”), to purchase, construct, extend and improve certain projects (as defined in Section 100.010 of the Revised Statutes of Missouri, as amended) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Following notice to affected taxing jurisdictions in accordance with Section 100.059.1 of the Act, the City Council adopted Ordinance No. 4.577 on December 13, 2021 (the “**Ordinance**”), (i) approving a plan for the Company’s economic development project, and (ii) authorizing the issuance of not to exceed \$35,380,000 principal amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, to pay the costs of a portion of the Project consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds (collectively, the “**Project Improvements**,” as more fully described on Exhibit B to the Indenture), located on certain real property in the City (the “**Project Site**,” as more fully described on **Exhibit A** hereto).

3. Pursuant to the Ordinance the City is authorized to execute and deliver (a) a Trust Indenture of even date herewith (the “**Indenture**”), between the City and Security Bank of Kansas City, Gladstone, Missouri, as trustee (the “**Trustee**”), for the purpose of issuing and securing the City’s Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021 in the maximum principal amount of \$35,380,000 (the “**Bonds**”), (b) a Lease Agreement of even date herewith (the “**Lease**”) with the Company, as lessee, under which the City, as lessor, will purchase, construct, improve and equip the Project and will lease the Project to the Company, in consideration of rentals which will be sufficient to pay the principal of and interest on the Bonds, and (c) this Agreement for the purpose of setting forth the terms and conditions of the Project’s exemption from *ad valorem* real and personal property taxes and certain payments in lieu of taxes to be made by the Company with respect to the Project.

4. Pursuant to the foregoing, the City desires to enter into this Agreement with the Company in consideration of the Company’s desire to purchase, construct, improve and equip the Project upon the terms and conditions hereinafter set forth.

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to the words and terms defined in the Recitals, the following words and terms as used herein shall have the following meanings:

“Agreement” means this Performance Agreement dated as of December 1, 2021, between the City and the Company, as from time to time amended and supplemented in accordance with the provisions hereof.

“Base PILOT” means the amount equal to the amount assessed on the Project, on an annual basis, by the Clay County Assessor’s Office.

“Commercial Facility” means a facility comprised of rentable space operated for profit by the Company in accordance with this Agreement.

“Event of Default” means any Event of Default as provided in **Section 6.1** hereof.

“Force Majeure” means an event that is beyond the control of the Company and is of the kind and/or nature of a riot, war, act of enemies (including terrorism within the continental United States), national emergency, fire, flood, act of God, severe weather conditions, material shortage or strike that renders it substantially impossible for the Company to operate the Project.

“Indenture” means the Trust Indenture dated as of December 1, 2021, between the City and Security Bank of Kansas City, Kansas City, Kansas, as Trustee, relating to the issuance of the Bonds, as amended or supplemented from time to time.

“PILOT Payments” or **“PILOTS”** means the payments in lieu of taxes provided for in **Article III** hereof, but does not include the Base PILOT.

“Project” means, collectively, (i) the Project Improvements to be constructed on the Project Site, and (ii) all additions, modifications, improvements, replacements and substitutions made to the Project pursuant to the Lease as they may at any time exist, the costs of which will be paid in whole or in part, or for which the Company will be reimbursed in whole or in part, from the proceeds of the sale of the Bonds.

“Project Costs” means all costs of purchasing, constructing, improving and installing the Project.

“Project Improvements” shall have the same meaning as provided in **Exhibit B** to the Indenture.

“Project Site” means all of the real estate described in **Exhibit A** attached hereto and by this reference made a part hereof.

ARTICLE II

REPRESENTATIONS

Section 2.1. City's Representations. The City hereby represents that the Project will significantly benefit the City of Gladstone and the State of Missouri by (i) stimulating economic development in the City and the State through the creation and retention of permanent jobs; and (ii) increasing local and state tax revenues.

Section 2.2. Company's Representations. The Company hereby represents that the Project will significantly benefit the City of Gladstone and the State of Missouri by (i) stimulating economic development in the City and the State through the improvement of housing in the City; and (ii) increasing local and state tax revenues.

ARTICLE III

PROPERTY TAX EXEMPTION; BASE PILOT AND PILOT PAYMENTS

Section 3.1. Property Tax Exemption. So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem taxes on real property. The first year of the exemption period shall begin on January 1, 2023 (with the exception of the payment of the required Base PILOT for 2021 and 2022 as discussed below). Notwithstanding any other provision of this Agreement to the contrary, the last year of such exemption period shall be 2042. The Company covenants and agrees that, during each year the Project is exempt from ad valorem taxes by reason of the City owning title, the Company will make annual payments in lieu of taxes to the City (each such payment, a "**PILOT Payment**") as described in this **Article III**. The City and the Company hereby agree that the tax abatement provided by this Agreement shall only apply to the Project Site and the property financed with the proceeds of the Bonds (i.e., property constituting a part of the Project) and shall not apply to property not financed with proceeds of the Bonds.

Section 3.2. Payments in Lieu of Taxes. The Company covenants and agrees to (i) pay the Base PILOT on or before each December 31, commencing December 31, 2021, in the amounts, and in the years, set forth in **Exhibit B** attached hereto, and (ii) make additional PILOT Payments to the City on or before each December 31, commencing December 31, 2023, as may be required in this **Article III**. Because the Project Site is being transferred to the City in 2021, the Base PILOT for 2021 is only due to the extent the taxes for 2021 have not already been paid. The Base PILOT for 2022 shall be the full amount (100%) of ad valorem real property taxes assessed to the Project Site by the Clay County Assessor's Office.

Section 3.3. Termination for Failure to Complete Project Improvements or Operate the Project as a Commercial Facility. If the Company fails to (i) complete the Project Improvements by December 31, 2022, or (b) operate the Project as a Commercial Facility in a manner consistent with industry standards, then in addition to any other remedies that may be available to the City under the Lease or hereunder, the amount of PILOTS set forth in **Section 3.2** shall be increased to an amount that, when combined with the Base PILOT, equals 100% of the ad valorem real and personal property taxes that would otherwise have been due on the Project (as set forth in the Plan for an Industrial Development Project and Cost Benefit Analysis prepared for the Project and approved by the City) during each year following such failure, including the year in which the failure occurs, and during which the Project is exempt from ad valorem real and personal property taxes as provided herein.

Section 3.4. Distribution of PILOTS. Within 30 days of the date of receipt of the Base PILOT and each PILOT Payment, the City or designated billing/collection agent shall distribute the Base PILOT and each PILOT Payment among the taxing jurisdictions in accordance with the Act. However, upon a termination under **Section 3.3**, the City or its designated billing/collection agent shall distribute each Base PILOT and PILOT Payment among the taxing jurisdictions in proportion to the amount of taxes which would have been paid in each year had the Project not been exempt from taxation pursuant to this Agreement.

Section 3.5. Obligation of City to Effect Tax Abatement. The City agrees to take all actions within its control to obtain and/or maintain in effect the exemption referred to in **Section 3.1** above, including any filing required with any governmental authorities; provided, however, the City shall not be liable for any failure of Clay County, Missouri or any other governmental taxing authority to recognize the exemption provided herein. The City covenants that it will not voluntarily take any action that may cause or induce the levy or assessment of ad valorem taxes on the Project. In the event such a levy or assessment should occur, the City shall, at the Company's request and at the Company's expense, fully cooperate with the Company in all reasonable ways to prevent and/or remove any such levy or assessment against the Leased Property.

Section 3.6. Administration Costs. Under Section 100.050 of the Act, the City may require the Company to reimburse the City for its actual costs of issuing the Bonds and administering the plan including costs associated with this Agreement, in an amount of no greater than \$1,000 per year. The City will provide a statement for such costs to the Company not later than November 15th of each year and the Company will reimburse the City for its costs on or before December 31 of each year continuing until December 31 of the year in which this Agreement expires or is terminated.

Section 3.7. Other Property Taxes In Connection with the Project. The real property tax exemption provided by the City's ownership of the Project is expected to apply to all interests in the Project during the period it is owned by the City. If any ad valorem property taxes are levied by or on behalf of any taxing jurisdiction against any interest in the Project during the period the City owns the Project (including, without limitation, any ad valorem taxes levied against the Company's rights in the Lease), the amount of ad valorem tax payments related to such levy or levies which are paid by the Company and received by the City and other taxing jurisdictions shall be credited against and reduce on a *pro rata* basis the amount of the PILOT Payments the Company is obligated to pay pursuant to this Agreement. The Company shall be responsible for any taxes related to any interest in the Project which the Company owns in its own name or granted to the Company other than pursuant to the Lease.

Section 3.8. Sales Tax Exemption. The City shall issue the Company a sales tax exemption certificate for the purpose of providing sales tax exemption on materials used in the construction of the Project Improvements. It is the City and the Company's expectation that the purchase of any and all such materials shall be exempt from taxation pursuant to Article III, Section 39(10) of the Missouri Constitution and Section 144.062, RSMo. The Company shall account for all purchases for which the sales tax exemption is used and shall provide such accounting to the City at least quarterly. The Company shall reimburse the City and/or the other recipients of sales tax if it is determined that such exemption was improperly used or that the City did not have the legal authority to issue such certificate for such purposes.

Section 3.9. Credits for Certain Tax Payments. Nothing in this Agreement shall be construed to require the Company to make duplicate tax payments. The Company shall receive a credit hereunder to such extent it has made any payment for ad valorem property taxes on the Property to Clay County, Missouri.

Section 3.10. Company's Right To Protest Taxes. Notwithstanding any other provision of this Agreement to the contrary, nothing in this Agreement shall be construed to limit or in any way restrict the availability of any provision of Missouri law which confers upon the Company the right to appeal, protest or otherwise contest any property tax valuation, assessment, classification or similar action.

Section 3.11. Cessation of Operations at the Project Site. If for any reason the Company ceases operations of the Project during the term of this Agreement, the amount of PILOTS due hereunder shall be increased to an amount that equals 100% of the ad valorem real taxes that would otherwise have been due on the Project for each year following such cessation of operations including the year of cessation of operations (as set forth in the Plan for an Industrial Development Project and Cost Benefit Analysis prepared for the Project and approved by the City). "Ceases operations" or "cessation of operations" for the purpose of this paragraph means the Company completely vacates, abandons and permanently ceases operations and fails to occupy a portion of the Project Site for a period of 90 consecutive days during the term of this Agreement.

Notwithstanding the foregoing, the Company shall not be deemed to have abandoned, vacated or ceased operations at the Project Site if (i) the abandonment, vacation or cessation of operations is the result of a Force Majeure and (ii) the Company shall have taken substantial steps to repair, restore or rebuild the Project or otherwise resolve the effect of the Force Majeure within 180 days after the occurrence thereof (and provide written evidence of such substantial steps to the City as may reasonably be requested).

Section 3.12. No Abatement on Special Assessments, Licenses or Fees. The City and the Company hereby agree that the property tax exemptions described in this Agreement shall not apply to special assessments and shall not serve to reduce or eliminate any other licenses or fees owing to the City or any other taxing jurisdiction with respect to the Project. The Company hereby agrees to make payments with respect to all special assessments, licenses and fees which would otherwise be due with respect to the Project if the Project was not owned by the City.

ARTICLE IV

COVENANTS, REPRESENTATIONS AND AGREEMENTS

Section 4.1. Inspection. The Company agrees that the City and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Company's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Leased Property and the records of the Company which demonstrate compliance with this Agreement.

Section 4.2. Compliance with Laws. The Project will comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 4.3. Purchase, Construction, Improvement, Installation and Operation. The Project will be purchased, constructed, improved, installed and operated in a manner that is consistent with the description of the Project herein and in the Lease. In the event the Project purchased, constructed, improved and installed is materially inconsistent with the description of the Project contained

herein and in the presentation to the City Council of the City, the City reserves the right to declare an Event of Default in accordance with **Section 6.1** hereof.

Section 4.4. Representations and Warranties.

(a) The Company represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri;

(2) The Company has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(3) The execution, delivery and performance by the Company of this Agreement has been duly authorized by all necessary corporate action, and does not violate the articles of incorporation, operating agreement, bylaws or any other organizational document of the Company, as the same may be amended and supplemented, or to the best of the Company's knowledge, any applicable provision of law, nor does it constitute a breach of or default under or require any consent under any agreement, instrument or document to which the Company is now a party or by which the Company is now or may become bound;

(4) To the best of the Company's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Company that would impair its ability to perform under this Agreement; and

(5) The Company has obtained (or prior to the applicable time required will obtain) and will maintain all government permits, certificates and consents (including without limitation appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project.

(b) The City represents, warrants and covenants that as of the date of this Agreement and during the term of this Agreement, or such shorter period as may be expressly provided for below:

(1) The City is a third class city and political subdivision duly organized and validly existing under the laws of the State of Missouri;

(2) The execution, delivery and performance by the City of this Agreement have been duly authorized by all necessary City actions;

(3) The City has the right, power and authority to enter into, execute, deliver and perform this Agreement; and

(4) To the best of the City's knowledge, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the City that would impair its ability to perform under this Agreement.

Section 4.5. Survival of Covenants. All warranties, representations, covenants and agreements of the Company and the City contained herein shall survive termination of this Agreement for any reason.

Section 4.6. Indemnification. The Company shall indemnify and defend the City to insure that the City and the Trustee are held harmless from and against all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done in, on or about, the Leased Property during the term of the Lease, and against and from all claims, demands, costs, liabilities, damages or expenses, including attorneys' fees, arising during the term of the Lease from any event described in **Section 10.5** of the Lease to the extent and subject to the limitations provided therein. The Company hereby grants such warranties regarding environmental matters as set forth in **Section 10.9** of the Lease. This section shall not apply to the negligence or willful misconduct of the City or its officers, employees or agents.

Section 4.7. Costs of Issuance of the Bonds. The Company agrees to pay on the date of the initial issuance of the Bonds, all costs of issuance incurred in connection therewith.

ARTICLE V

SALE AND ASSIGNMENT

The benefits granted by the City to the Company pursuant to this Agreement shall belong solely to the Company, and such benefits shall not be transferred (other than to an affiliate of the Company), assigned, pledged or in any other manner hypothecated without the express written consent of the City, except that the Company shall have the right to assign or transfer its interest hereunder, including the benefits hereunder, in connection with any assignment or transfer of its interest in the Leased Property that is permitted pursuant to the Lease; but nothing herein shall preclude the Company from assigning or pledging its interest in the Leased Property so long as the Company continues to occupy the Leased Property and otherwise remains responsible for its undertakings herein.

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an Event of Default hereunder:

(a) the Company fails to make the Base PILOT or any PILOT Payments when due or as required to be paid hereunder within 10 days after written notice and demand by the City;

(b) the Company shall fail to perform any of its obligations hereunder for a period of 60 days (or such longer period as the City and the Company may agree in writing) following written notice to the Company from the City of such failure (which notice shall include a specific description of the Company's failure hereunder); provided, that if such failure is not subject to cure within such 60 days (or such longer period as the City and the Company may agree in writing), no Event of Default shall be deemed to occur unless Company shall have failed to initiate action to cure such default and fails to pursue such action diligently;

(c) any representation of the Company contained herein proves to be materially false or erroneous and is not corrected or brought into compliance within 30 days (or such longer period as the City and the Company may agree in writing) after the City has given written notice to the Company specifying the false or erroneous representation and requiring it to be remedied; provided, that if such matter is not subject to cure within such 30 days (or such longer period as the City and Company agree in writing) after such notice, no Event of Default shall be deemed to occur unless the Company fails to initiate action to cure the default within such 30 days after such notice and fails to pursue such action diligently; or

(d) the Company fails to operate the Project as a Commercial Facility.

Section 6.2. Remedies on Default. Upon an Event of Default hereunder this Agreement may be terminated by written notice to the Company from the City. Within thirty days of such termination and upon written notice of the dollar amounts due, the Company shall make a PILOT to the City equal to (i) the pro rata amount payable pursuant to **Section 3.3** hereof from January 1 of the year in question through the effective date of termination, plus (ii) the pro rata amount of taxes that would be due for the remaining portion of the year assuming the Project was placed on the tax rolls effective on the date of termination through December 31; provided, however, the payment of PILOTS following cessation of operations shall be governed by **Section 3.12**.

Upon any termination of this Agreement the Company agrees to pay interest and penalties on all amounts due hereunder to the same extent as if such payments were taxes under Missouri law.

Section 6.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Missouri law on overdue ad valorem real estate taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem real personal property taxes which are not paid when due shall be subject to penalties imposed by Missouri law on overdue ad valorem real estate taxes.

Section 6.4. Enforcement. In addition to the remedies specified in **Section 6.2**, upon the occurrence of an Event of Default, the City or any taxing jurisdictions that would benefit from the Base PILOT and the PILOT Payments due and owing under this Agreement may bring an action for specific performance to enforce such payments. In the event of litigation pertaining to the enforcement of this Agreement, the losing party shall pay all costs of litigation, including reasonable attorneys' fees.

Section 6.5. Failure of the City to Perform its Obligations. In the event the City shall fail to perform any of its obligations hereunder for (i) a period of 60 days (or such longer period as the Company and the City may agree in writing) following written notice to the City from the Company of such failure (which notice shall include a specific description of the City's failure hereunder), or (ii) if such failure is not subject to cure within such 60 days, the City shall have failed to initiate action to cure such default and/or failed to pursue such action diligently; the Company may declare that the City is in default under this Agreement and may pursue any legal remedy available to it to enforce this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article VI** hereof), shall have an initial term commencing as of the date of this Agreement and terminating on December 31, 2042 (the

“**Stated Expiration Date**”). This Agreement shall automatically terminate prior to the Stated Expiration Date in the event the Bonds (or any Bonds issued to refund the Bonds) are no longer outstanding.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 8.2. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

Section 8.3. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 8.4. Waiver. The City and the Company acknowledge and agree that the amounts payable hereunder shall constitute payments due the City under the Lease executed in connection with the Bonds. The Company shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Company in any bankruptcy court.

Section 8.5. Entire Agreement. This Agreement constitutes the entire agreement relating to the subject matter contained herein and supersedes all prior agreements and understandings, both written and oral, between the City and the Company with respect to the subject matter hereof.

Section 8.6. Electronic Storage of Documents. The City and the Company agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 8.7. Notices. All notices, certificates or other communications required or desired to be given hereunder shall be given in the manner specified in the Indenture.

Section 8.8. Employee Verification. The Company will comply with and satisfy the requirements of Section 285.530.2, RSMo., as amended, which requires (1) any business entity receiving tax abatement to, by sworn affidavit and provision of documentation, annually affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the business entity receiving tax abatement, and (2) every such business entity to annually sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the entity receiving tax abatement. The Company shall provide such affidavits and documentation to the City on or before November 15 of each year during the term of this Agreement, beginning November 15, 2022, and also upon execution of this Agreement.

Section 8.9. Complete Agreement. The Company and the City understand that oral or unexecuted agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect the Company and the City from misunderstanding or disappointment, any agreements the Company and the City reach covering such matters are contained in this Performance Agreement and in the Lease, which are the complete and exclusive statements of the agreement between the Company and the City, except as

the Company and the City may later agree in writing to modify this Performance Agreement and the Lease.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

CITY OF GLADSTONE, MISSOURI



[SEAL]

By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

ATTEST:

By: Becky Jarrett
Name: Becky Jarrett
Title: Deputy City Clerk

PARKSIDE INVESTORS, LLC

By: 
Name: Joe Christensen
Title: Member Manager

EXHIBIT A

DESCRIPTION OF PROJECT SITE

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH $89^{\circ}45'07''$ WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH $00^{\circ}23'23''$ WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH $89^{\circ}45'07''$ WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH $00^{\circ}23'04''$ WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH $89^{\circ}41'33''$ EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH $02^{\circ}14'19''$ EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH $89^{\circ}29'23''$ WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH $00^{\circ}23'02''$ WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH $89^{\circ}36'58''$ WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH $00^{\circ}23'02''$ WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH $89^{\circ}50'34''$ WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH $00^{\circ}20'03''$ EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH $89^{\circ}46'19''$ EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH $89^{\circ}40'58''$ EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH $00^{\circ}23'23''$ WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING.** CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **POINT OF BEGINNING.** CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

EXHIBIT B
PILOT SCHEDULE

2021	Base PILOT
2022	Base PILOT
2023	\$31,620
2024	\$32,253
2025	\$32,898
2026	\$33,556
2027	\$34,227
2028	\$34,911
2029	\$35,609
2030	\$36,322
2031	\$37,048
2032	\$37,789
2033	\$292,152
2034	\$297,995
2035	\$303,955
2036	\$310,034
2037	\$316,235
2038	\$322,559
2039	\$329,011
2040	\$335,591
2041	\$342,303
2042	\$349,149

*to the extent not otherwise paid as taxes

Recorded in Clay County, Missouri

Date and Time: 01/12/2022 at 03:41:56 PM

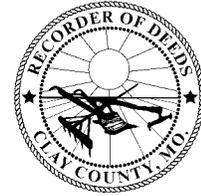
Instrument Number: 2022001457

Book: 9281 Page: 10

Instrument Type: AGR

Page Count: 7

Recording Fee: \$42.00 S



Electronically Recorded

Katee Porter, Recorder

(The above space is reserved for Recorder's Certification.)

TITLE OF DOCUMENT: MEMORANDUM OF PERFORMANCE AGREEMENT

DATE OF DOCUMENT: As of December 1, 2021

GRANTOR: PARKSIDE INVESTORS, LLC

GRANTOR'S MAILING ADDRESS: 1539 Swift Street
North Kansas City, Missouri 64116

GRANTEE: CITY OF GLADSTONE, MISSOURI

GRANTEE'S MAILING ADDRESS: 7010 North Holmes
Gladstone, Missouri 64118
Attn: City Manager

RETURN DOCUMENTS TO: Richard C. McConnell
Armstrong Teasdale LLP
2345 Grand Blvd, Suite 1500
Kansas City, Missouri 64108

LEGAL DESCRIPTION: See **Exhibit A** attached hereto and incorporated herein.

MEMORANDUM OF PERFORMANCE AGREEMENT

THIS MEMORANDUM OF PERFORMANCE AGREEMENT, gives notice of, ratifies and confirms the Performance Agreement dated as of December 1, 2021 (the “Agreement”), between the **CITY OF GLADSTONE, MISSOURI**, a third-class city and municipal corporation organized and existing under the laws of the State of Missouri (the “City”), and **PARKSIDE INVESTORS, LLC**, a Missouri limited liability company (the “Company”).

RECITALS:

1. The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend, equip and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, research and development, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

2. Pursuant to the Act, the City approved Ordinance No. 4.577 (the “Ordinance”) on December 13, 2021, approving a plan for industrial development for the benefit of the Company, and authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in maximum principal amount of \$35,380,000 (the “Bonds”), for the purpose of paying the costs of a portion of the Project (defined below) consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds (the “Project”), located on certain real property in the City (the “Project Site,” as more fully described on **Exhibit A** hereto).

3. The Ordinance authorizes the City to lease the Project to the Company pursuant to a Lease Agreement to be entered into by and between the City and the Company (the “Lease”). Pursuant to the Lease, the City, as lessor, will purchase and install or will cause the Company to purchase and install the Project on the Project Site and will lease the Project to the Company, as lessee.

4. Pursuant to the foregoing, the City desires to enter into the Agreement with the Company in consideration of the Company’s desire to cause the purchase and installation of the Project as more fully described in the Lease upon the terms and subject to the conditions set forth in the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements contained in the Agreement, the City and the Company represent, covenant and agree as follows:

1. Property Tax Exemption. So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem taxes on real property.

2. Payments in Lieu of Taxes. The Company covenants and agrees that, during each year the Project is exempt from ad valorem real property taxes by reason of the City’s ownership thereof, the Company will make PILOT Payments in such amounts and at such times set forth in the Agreement.

3. Term of Agreement. The Agreement shall become effective upon execution by the parties thereto and shall terminate upon the earliest to occur of the following:

(a) the payment in full of the Bonds (or any bonds issued to refund the Bonds) and the payment of all amounts due under the Agreement;

(b) the occurrence and continuance of an Event of Default beyond the cure period and the subsequent termination of the Agreement pursuant to the provisions of the Lease and the Agreement; or

(c) the expiration of the Lease Term set forth in **Section 3.2** of the Lease.

The foregoing provisions shall not relieve the Company of its obligation to make any PILOT Payment owing during the year in which the Bonds are paid, to the extent the Company receives the ad valorem tax exemption contemplated for that year.

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

[Remainder of Page Intentionally Left Blank.]

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

CITY OF GLADSTONE, MISSOURI



By: Scott Wingerson
Name: Scott Wingerson
Title: City Manager

[SEAL]

ATTEST:

By: Becky Jarrett
Becky Jarrett, Deputy City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF CLAY)

On this 16 day of December, 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, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Rebecca Jarrett
Printed Name: Rebecca Jarrett
Notary Public in and for said State

My Commission Expires:

REBECCA JARRETT Notary Public - Notary Seal STATE OF MISSOURI Clay County My Commission Expires: November 11, 2022 Commission #14392947
--

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

**EXHIBIT A
PROJECT SITE**

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY

COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING. CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE POINT OF BEGINNING. CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.

No. 1

Not to Exceed
\$35,380,000

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(PARKSIDE INVESTORS PROJECT)
SERIES 2021**

Interest Rate

6.00%

Maturity Date

December 1, 2042

Dated Date

December 21, 2021

OWNER: PARKSIDE INVESTORS, LLC

MAXIMUM PRINCIPAL AMOUNT: FOUR MILLION SEVENTY THOUSAND DOLLARS

THE CITY OF GLADSTONE, MISSOURI, a third class city organized and existing under the laws of the State of Missouri (the "City"), for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** hereto held by the Trustee as provided in the hereinafter referred to Indenture. The City agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the City kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, payable in arrears on each December 1, commencing on December 1, 2022, and continuing thereafter until the earlier of the date on which said Cumulative Outstanding Principal Amount is paid in full or the Maturity Date. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a year of 360 days consisting of 12 months of 30 days each.

As used herein, the term "Cumulative Outstanding Principal Amount" means all Bonds outstanding under the terms of the hereinafter-defined Indenture, as reflected on **Schedule I** hereto maintained by the Trustee.

THIS BOND is one of a duly authorized series of Bonds of the City designated "City of Gladstone, Missouri, Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021," in the maximum aggregate principal amount of \$35,380,000 (the "Bonds"), to be issued for the purpose of paying the costs of a portion of the Project consisting of the construction of an approximate 220 unit apartment to be known as "Parkside," and other significant improvements (collectively, the

“Project Improvements” as more fully described in the Indenture), located on certain real property in the City (the “Project Site”). The City will lease the Project Site and the Project Improvements (collectively, the “Project”) to Parkside Investors, LLC, a limited liability company organized and existing under the laws of the State of Missouri (the “Company”), under the terms of a Lease Agreement dated as of December 1, 2021 (said Lease Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease”), between the City and the Company, all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of Missouri, including particularly the Act, and pursuant to proceedings duly had by the Council of the City.

THE BONDS are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of December 1, 2021 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the City and Security Bank of Kansas City, Gladstone, Missouri, as trustee (the “Trustee”). *Capitalized terms not defined herein shall have the meanings set forth in the Indenture.*

Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Owners, and the terms upon which the Bonds are issued and secured.

THE BONDS are subject to redemption and payment at any time before the stated maturity thereof, at the option of the City, upon written instructions from the Company, (1) in whole, if the Company exercises its option to purchase the Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable redemption date, or (2) in part, if the Company prepays additional Basic Rent pursuant to the Lease; provided, however, if only a portion of the Bonds are to be redeemed, Bonds aggregating 10% of the maximum principal amount of Bonds authorized under the Indenture shall not be subject to redemption and payment before the stated maturity thereof. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date.

THE BONDS are subject to mandatory redemption, in whole or in part, to the extent of amounts deposited in the Bond Fund pursuant to Sections 9.1(f) or 9.2(c) of the Lease, in the event of substantial damage to or destruction or condemnation of substantially all of the Project. Bonds to be redeemed pursuant to this paragraph shall be called for redemption by the Trustee on the earliest practicable date for which timely notice of redemption may be given as provided hereunder. Any redemption of Bonds pursuant to this paragraph shall be at a redemption price equal to the par value thereof being redeemed, plus accrued interest thereon, without premium or penalty, to the redemption date. Before giving notice of redemption to the Owners pursuant to this paragraph, money in an amount equal to the redemption price shall have been deposited in the Bond Fund.

If the Bonds are to be called for optional redemption, the Company shall deliver written notice to the City and the Trustee that it has elected to redeem all or a portion of the Bonds at least 10 days prior to the scheduled redemption date. The Trustee shall then deliver written notice to the Owner of this Bond at least five days before the scheduled redemption date by facsimile and by first-class mail stating the date upon which the Bonds will be redeemed and paid.

THE BONDS, including interest thereon, are special obligations of the City and are payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease and not from any other fund or source of the City, and is secured by a pledge and assignment of the Project and of such rents, revenues and receipts, including all rentals and other amounts to be received by the City under

and pursuant to the Lease, all as provided in the Indenture. The Bonds do not constitute a general obligation of the City or the State of Missouri, and neither the City nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, charter or statutory debt limitation or restriction, and are not payable in any manner by taxation. Pursuant to the provisions of the Lease, rental payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the City and deposited in a special fund created by the City and designated the "City of Gladstone, Missouri, Bond Fund – Parkside Investors, LLC."

THE OWNER of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of this Bond or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

THIS BOND is transferable in whole only, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in Person or by such Person's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or such Person's duly authorized attorney, and thereupon a new fully registered Bond, in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

THE BONDS are issuable in the form of one fully-registered Bond without coupons in the maximum principal amount of \$37,380,000.

THIS BOND shall not be valid or become obligatory for any purposes or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

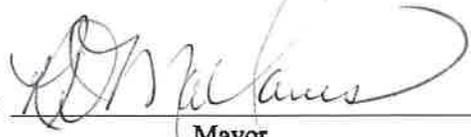
IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, the City of Gladstone, Missouri, has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk and its corporate seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated the date set forth above.

CERTIFICATE OF AUTHENTICATION

CITY OF GLADSTONE, MISSOURI

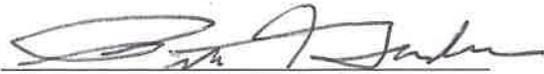
This Bond is the Bond of the issue described in the within-mentioned Indenture.

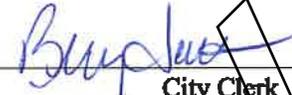
By: 
Mayor

Registration Date: 12/21/21

SECURITY BANK OF KANSAS CITY,
as Trustee

ATTEST: (Seal)

By 
Authorized Signatory


City Clerk

COPY

SCHEDULE I

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(ROYAL PARK APARTMENT HOMES PROJECT)
SERIES 2019

Bond No. 1

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

COPY

CITY'S CLOSING CERTIFICATE

We, the undersigned, hereby certify that we are the duly appointed, qualified and acting Mayor and Deputy City Clerk, respectively, of the City of Gladstone, Missouri (the "City"), and as such officers we are familiar with the official books and records of the City. In connection with the issuance by the City of \$35,380,000 maximum principal amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021 (the "Bonds"), we hereby further certify as follows:

1. MATTERS CONCERNING AUTHORIZATION

1. Due Organization. The City is a legally constituted third class city and political subdivision duly organized and existing under the laws of the State of Missouri.

2. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bonds furnished to Parkside Investors, LLC, a Missouri limited liability company (the "Company"), of the Bonds includes a true and correct copy of the proceedings had by the City Council and other records, proceedings and documents relating to the issuance of the Bonds; said Transcript is to the best of our knowledge, information and belief full and complete; such proceedings of the City shown in said Transcript have not been modified, amended or repealed and are in full force and effect as of the date hereof; said Transcript has been duly filed in the official records of the City.

3. Meetings. All meetings of the City Council as shown in the Transcript were regular meetings, or were held pursuant to regular adjournment at the next preceding meeting, or were special meetings duly called as shown in the Transcript, and each such meeting was duly held, was open to the public at all times and a quorum was present throughout. At all such meetings where required, proper notice of the time, place and purposes of each such meeting was given to the City Council or was waived and proper notice was given to the public as required by law.

4. Incumbency of Officers. The following named persons were and are the duly elected or appointed, qualified and acting officers and Councilmembers of the City at all times except as otherwise indicated during the proceedings relating to the authorization and issuance of the Bonds, as follows:

<u>Name</u>	<u>Title</u>
R. D. Mallams	Mayor
Bill Garnos	Councilmember/Mayor Pro Tem
Jean Moore	Councilmember
Tina Spallo	Councilmember
Tom Frisby	Councilmember
Scott Wingerson	City Manager
Becky Jarrett	Deputy City Clerk

5. Approval of Plan for the Project. Pursuant to Ordinance No. 4.577 adopted by the City Council on December 13, 2021 (the "Ordinance"), the City approved a Plan for an Industrial Development Project (the "Plan") Parkside Investors, LLC, a Missouri limited liability company (the "Company"), pursuant to Chapter 100 of the Revised Statutes of Missouri, as amended (the "Act"). The Plan meets the requirements of Section 100.050 of the Act, and all of the affected taxing jurisdictions were provided notice of the proposed Project in accordance with the Act.

6. Location of Project. The Project will be located entirely within the corporate limits of the City.

7. Bonds Issued for the Company. The City has not authorized or issued any obligations of any kind or character whatsoever payable out of the revenues, or the pledge thereof, under the Lease Agreement hereafter referred to.

8. Non-Litigation. There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the City, or the right or title of any of its officers or Councilmembers to their respective offices, or the legality of any official act shown to have been done in the Transcript evidencing the authorization and issuance of the Bonds, or the constitutionality or validity of the obligations represented by the Bonds, or the validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof.

2. MATTERS CONCERNING ISSUANCE, SALE AND DELIVERY

1. Execution of Documents. The following documents (the “City Documents”) have been duly authorized, executed and delivered in the name and on behalf of the City by its duly authorized officers, pursuant to and in full compliance with the Ordinance passed by the City Council of the City at a meeting duly held as shown in the Transcript:

(a) Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the City and Security Bank of Kansas City, as trustee (the “Trustee”);

(b) Lease Agreement dated as of December 1, 2021 (the “Lease Agreement”), between the City and the Company;

(c) Bond Purchase Agreement dated as of December 1, 2021 (the “Bond Purchase Agreement”), between the City and the Company, as the purchaser; and

(d) Performance Agreement dated as of December 1, 2021, between the City and the Company, relating to tax abatement and payments in lieu of taxes relating to real property.

The copies of the City Documents contained in the Transcript are true, complete and correct copies or counterparts of the City Documents as executed and delivered by the City, and are in substantially the same form and text as the copies of the City Documents which were before the City Council and approved by the Ordinance. The City Documents have not been amended, modified or rescinded and remain in full force and effect as of the date hereof.

2. Execution of Bonds. The Mayor and the Deputy City Clerk have duly signed and executed, manually or by facsimile, the Bonds in the form of one fully registered Bond in the maximum principal amount of \$35,380,000 and on the date of the Bonds, and on the date when said Bonds were executed by the Mayor and the Deputy City Clerk, the Mayor and the Deputy City Clerk were and at the date hereof are the officials indicated by their signatures on said Bonds. The signatures of the Mayor and Deputy City Clerk, as such officials, respectively, on said Bonds, are the true and genuine signatures, and the seal affixed or imprinted on said Bonds at the time of its execution was and is the duly authorized official City seal and was thereto affixed by the authority and direction of the governing body of the City, and is the seal affixed to this Certificate. Affidavits containing the respective signatures of the Mayor and

Deputy City Clerk, copies of which are attached hereto as **Exhibit A**, have been filed in the Office of the Secretary of State of Missouri pursuant to Section 105.274 of the Revised Statutes of Missouri, and we hereby ratify, confirm and adopt the facsimile signatures on the Bonds as a proper execution of said Bonds.

3. Representations in City Documents. Each of the representations of the City made in the City Documents are true and complete in all material respects as of the date hereof as if made on and as of the date hereof, and all agreements to be complied with and obligations to be performed by the City under the City Documents on or prior to the closing date of the Bonds have been complied with and performed.

4. No Legal Violation. The execution and delivery of the City Documents, the performance of the terms thereof by the City and the issuance, sale and delivery of the Bonds will not violate any provision of Missouri law, or any resolution or ordinance of the City, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or authority, and will not conflict with, violate or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party, or by which it or its properties are bound.

5. Approvals. All approvals, consents, authorizations and orders required to be obtained by the City in connection with the issuance, sale and delivery of the Bonds and the execution and delivery of the City Documents and the performance of the terms thereof by the City have been duly obtained.

6. No Offers by City. Neither the City, nor any authorized representative of the City is engaged in any transaction involving the offering or sale of the Bonds.

7. Information. The Purchaser has had ample opportunity to ask questions of, and to receive answers from, officers or other representatives of the City concerning the offer for sale and purchase of the Bonds.

8. Request to Authenticate and Deliver the Bonds. Pursuant to **Section 208(c)(4)** of the Indenture, the Trustee is hereby requested and authorized by the City to authenticate the Bonds and to deliver such Bonds to the Purchaser upon payment to the Trustee for the account of the City of the Closing Price for the Bonds as specified in the Bond Purchase Agreement.

9. Designation of Authorized City Representatives. The City hereby designates the Mayor, the City Manager and the Deputy City Clerk as Authorized City Representatives. The City may designate another person to act on behalf of the City as evidenced by written certificate furnished to the Company and the Trustee containing the specimen signature of such person and signed on behalf of the City by the Mayor.

10. M.A.P. Filing Authorization. The City hereby authorizes Armstrong Teasdale LLP to file the information required by Section 37.850 of the Revised Statutes of Missouri on the Missouri Accountability Portal website maintained by the State of Missouri Office of Administration.

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IN WITNESS WHEREOF, the City has caused this certificate to be executed on its behalf by its duly authorized officers and its seal to be affixed hereto, all as of December ____, 2021.

Signature

Official Title

Jett White

City Manager

Billy Jarratt

Deputy City Clerk

(Seal)



EXHIBIT A

Facsimile Signature Filings

NOTICE TO TAXING JURISDICTIONS

On behalf of the City of Gladstone, Missouri (“City”), please find enclosed a copy of the proposed Plan for an Industrial Development Project (“Plan”) for Parkside Investors, LLC, which also contains a Cost Benefit Analysis on the affected taxing jurisdictions.

The City Council will consider an ordinance to approve the Plan during the City Council’s meeting on Monday, December 13, 2021, at 7:30 p.m. at Gladstone City Hall, City Council Chambers, 7010 North Holmes, Gladstone, Missouri.

The City invites you to submit comments to the Council on the proposed Plan. All comments will be fairly and duly considered by the City.

A copy of the Plan and Cost Benefit Analysis for the proposed project will be on file in the office of the City Clerk and will be available for public inspection during normal business hours.

Dated: November 3, 2021

Becky Jarrett
Deputy City Clerk
City of Gladstone, Missouri

Taxing Jurisdictions -- Distribution List

City of Gladstone, Missouri

R.D. Mallams, Mayor
Gladstone City Hall
7010 North Holmes St.
Gladstone, MO 64118

North Kansas City School District

Dr. Dan Clemens, Superintendent
2000 NE 46th Street
Kansas City, MO 64116

Metropolitan Community College

Kimberly Beatty, Chancellor
3200 Broadway
Kansas City, MO 64111

Clay County, Missouri

Attn: County Commissioner
Liberty Office
1 Courthouse Square
Liberty, MO 64068

Clay County Health Department

Gary E. Zaborac, Director
800 Haines Drive
Liberty, MO 64068

Missouri Department of Revenue

Blind Pension Fund
Steve Corsi, Psy.D., Director
221 West High Street
Jefferson City, MO 65102

Tri-County Mental Health Services

Board of Trustees
3100 NE 83rd Street, Suite 1001
Kansas City, MO 64119

Mid Continent Public Library

Steven V. Potter, Director
15616 E. Highway 24
Independence, MO 64050

Developmental Disabilities

Resource Board of Clay County

Attn: Executive Director
920 Kent Street
Liberty, MO 64068

Clay County Senior Services

Attn: Robert Steinkamp, Chair
4444 N. Belleview, #110
Gladstone, MO 64116

CITY OF GLADSTONE, MISSOURI

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT
AND
COST-BENEFIT ANALYSIS**

FOR

**PARKSIDE INVESTORS, LLC
PARKSIDE AT HOBBY HILL**

TABLE OF CONTENTS

	<u>Page</u>
I. PURPOSE OF THIS PLAN	1
II. GENERAL DESCRIPTION OF CHAPTER 100 FINANCINGS	1
General.....	1
Issuance and Sale of Bonds	1
Property Tax Abatement.....	2
III. DESCRIPTION OF THE PARTIES	2
Parkside Investors, LLC.	2
City of Gladstone, Missouri.	2
IV. REQUIREMENTS OF THE ACT.....	2
Description of the Project.....	2
Estimate of the Costs of the Project.	2
Source of Funds to be Expended for the Project.....	2
Statement of the Terms Upon Which the Project is to be Leased or Otherwise	
Disposed of by the City.....	3
Affected School District, Community College District, County and City.....	3
Current Assessed Valuation.....	3
Payments in Lieu of Taxes.	3
Cost-Benefit Analysis and Discussion of Exhibits.....	3
V. ASSUMPTIONS AND BASIS OF PLAN	4
 EXHIBIT 1 - SUMMARY OF KEY ASSUMPTIONS	
 EXHIBIT 2 - SUMMARY OF COST BENEFIT ANALYSIS	
 EXHIBIT 3 - PROJECTED TAX REVENUES ON PROJECT SITE WITHOUT PROJECT (NO ABATEMENT)	
 EXHIBIT 4 - PROJECTED TAX REVENUES ON PROJECT SITE WITH PROJECT (NO ABATEMENT)	
 EXHIBIT 5 - PROJECTED PILOT AMOUNTS	
 EXHIBIT 6 - PROJECTED VALUE OF TAX ABATEMENT	
 EXHIBIT 7 – SALES TAX EXEMPTION – CONSTRUCTION MATERIALS ESTIMATE	

* * *

CITY OF GLADSTONE, MISSOURI

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT
AND
COST-BENEFIT ANALYSIS
FOR
PARKSIDE INVESTORS, LLC**

I. PURPOSE OF THIS PLAN

The City Council of the City of Gladstone, Missouri (the “City”) will consider an ordinance approving this Plan (defined below) and authorizing the issuance by the City of its taxable industrial development revenue bonds in the aggregate principal amount of approximately \$35,380,0000 (the “Bonds”), to finance the costs of an industrial development project (the “Project”) for Parkside Investors, LLC (the “Company”). The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended (collectively, the “Act”).

This Plan for an Industrial Development Project and Cost-Benefit Analysis (the “Plan”) has been prepared to satisfy requirements of the Act and to analyze the potential costs and benefits, including the related tax impact on all affected taxing jurisdictions, of using industrial development revenue bonds to finance the Project and to facilitate abatement of ad valorem taxes on the bond-financed property.

II. GENERAL DESCRIPTION OF CHAPTER 100 FINANCINGS

General. The Act authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and other commercial facilities.

Issuance and Sale of Bonds. Revenue bonds issued pursuant to the Act do not require voter approval and are payable solely from revenues received from the project. The municipality issues its bonds and in exchange, the benefited company promises to make payments that are sufficient to pay the principal of and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing.

Concurrently with the closing of the bonds, the company will convey to the municipality title to the site on which the industrial development project will be located (the “Project Site”), including all improvements built on the Project Site. The municipality must be the legal owner of the property while the bonds are outstanding for the property to be eligible for tax abatement, as further described below. At the same time, the municipality will lease the Project Site and the improvements thereon back to the benefited company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the bond proceeds to pay the costs or reimburse the costs of purchasing, constructing and installing the project, as applicable.

Under the lease agreement, the company typically: (1) will unconditionally agree to make payments sufficient to pay the principal of and interest on the bonds as they become due; (2) will agree, at its own expense, to maintain the project, to pay all taxes and assessments with respect to the project, and to maintain adequate insurance; (3) has the right, at its own expense, to make certain additions, modifications or

improvements to the project; (4) may assign its interests under the lease agreement or sublease the project while remaining responsible for payments under the lease agreement; (5) will covenant to maintain its corporate existence during the term of the bond issue; and (6) will agree to indemnify the municipality for any liability the municipality might incur as a result of its participation in the transaction.

Property Tax Abatement. Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. In a typical transaction, the municipality holds fee title to the project and leases the project to the benefited company.

If the municipality and the company determine that partial tax abatement is desirable, the company may agree to make “payments in lieu of taxes” (sometimes called “PILOTS”). The amount of payments in lieu of taxes is negotiable. The payments in lieu of taxes are payable by December 31 of each year, and are distributed to the municipality and to each political subdivision within the boundaries of the project in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

III. DESCRIPTION OF THE PARTIES

Parkside Investors, LLC. The Company is a limited liability company organized and existing under the laws of the State of Missouri and is qualified to do business in Missouri. The Company builds and constructs multifamily real estate and commercial properties and holds them for long-term investment purposes.

City of Gladstone, Missouri. The City is a third class city and municipal corporation organized and existing under the laws of the State of Missouri. The City is authorized and empowered pursuant to the provisions of the Act to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable.

IV. REQUIREMENTS OF THE ACT

Description of the Project. The project to be financed by the Bonds consists of the construction of an approximate 220 unit apartment complex with a 9,000 square foot retail center adjacent to North Oak. The real property improvements being financed by the Bonds are referred to as the “Project Improvements” which are located on real estate referred to as the “Project Site.” The Project Improvements located on the Project Site are referred to as the “Project.”

Estimate of the Costs of the Project. The Project is expected to cost approximately \$35,380,000. The Project will be developed in 2021-2022 and will be completed in 2023.

Source of Funds to be Expended for the Project. The source of funds to be expended for the Project will be the proceeds of the Bonds in a principal amount of approximately \$35,380,000, to be issued by the City and purchased by the Company or its designee (the “Bondholder”) and, if needed, other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project (as further described below). The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri.

Statement of the Terms Upon Which the Project is to be Leased or Otherwise Disposed of by the City. The Company will deed the Project Site, including the Project Improvements, to the City subject to permitted encumbrances. The City will lease the Project to the Company for lease payments equal to the principal and interest payments on the Bonds. Under the terms of the lease agreement with the City, the Company will have the option to purchase the Project at any time and will have the obligation to purchase the Project at the termination of the lease. The lease between the City and the Company will terminate in 2032, unless terminated sooner pursuant to the terms of the lease.

Affected School District, Community College District, County and City. The North Kansas City School District is the school district financially impacted by the Project. Clay County, Missouri is the county financially impacted by the Project. Metropolitan Community College is the community college district financially impacted by the Project. The City is the city financially impacted by the Project. The Cost-Benefit Analysis attached hereto identifies all other taxing districts affected by the Project (other than those taxing entities solely affected by the Project with respect to receipt of tax revenues from the commercial surcharge tax).

Current Assessed Valuation. The most recent equalized assessed valuation of the Project Site is \$87,420. The estimated total equalized assessed valuation of the Project Site after development of the Project (2023) is \$5,535,162.

Payments in Lieu of Taxes. If this Plan is approved by the City Council, the City intends to issue the Bonds in 2021 and provide tax abatement on incremental increase in assessed value above the 2021 assessed value of \$87,420 to the Company for the Project Site for a period of twenty years beginning in 2023. The construction of the Project Improvements will occur in 2021 and 2022 and the abatement period will begin in 2023. The abatement will run ten years at 100% (2023 – 2032), then an additional ten years at 50% (2033 – 2042) The Company will make fixed annual payments in lieu of taxes in the amounts set forth in **Exhibit 5**. The annual payments in lieu of taxes for the Project will be fixed as set forth in **Exhibit 5** irrespective of (i) any annual appraisal or assessment which may be rendered by the County Assessor's Office with respect to the Project or (ii) the actual amount or timing of investments in the Project.

Cost-Benefit Analysis and Discussion of Exhibits. In compliance with Section 100.050.2(3) of the Revised Statutes of Missouri, this Plan has been prepared to show the costs and benefits to the City and to other taxing jurisdictions affected by the tax abatements and exemptions of the Project. The following is a summary of the exhibits attached to this Plan that show the direct tax impact the Project is expected to have on each taxing jurisdiction. This Plan does not attempt to quantify the overall economic impact of the Project.

Project Assumptions. **Exhibit 1** presents a list of the assumptions related to the determination of assessed valuations and the tax formulas.

Summary of Cost-Benefit Analysis. **Exhibit 2** presents a summary for each affected taxing district of (1) the total estimated tax revenues that would be generated if the Project did not occur, (2) the total estimated tax revenues that would be generated if the Project occurred but did not receive tax abatement, (3) the total estimated value of the payments in lieu of taxes ("PILOT Amounts") to be made by the Company for the proposed abatement period, and (4) the total estimated value of the abatement to the Company.

Real Property. **Exhibit 3** provides the projected tax revenues which would be paid on the Project Site without tax abatement and without the Project. **Exhibit 4** provides the projected tax revenues that would be generated from the Project Site if the Project occurs but without tax abatement. **Exhibit 5** provides the projected value of PILOT Amounts to be paid by the Company.

Exhibit 6 provides the projected value of the real property tax abatement to the Company.

It is anticipated that all personal property installed under this plan will become a fixture and is included in the estimates of real property in the Cost-Benefit Analysis for the Project. It is expected that additional personal property may be owned by the residents of the Project. However, because it would be difficult to accurately estimate the amount of such personal property the analysis does not include estimates related thereto.

V. ASSUMPTIONS, CONDITIONS AND BASIS OF PLAN

In preparing this Plan, key assumptions have been made to estimate the fiscal impact of the abatement and exemptions proposed for the Project. See **Exhibit 1** for a summary of these assumptions.

Information necessary to complete this Plan, has been furnished by representatives of the City, representatives of the Company and its counsel, the Bondholder and other persons deemed appropriate and such information has not been independently verified for accuracy, completeness or fairness.

The tax revenue projections contained herein represent prospective information and estimates. The actual results may vary from the projections described herein. This analysis was prepared to provide timely and relevant information for the use of the school district, County, City, and other taxing jurisdictions to which the report is sent pursuant to Section 100.050 of the Act. There is an inherent assumption that information provided to Development Dynamics LLC (“D2”) by these sources is correct, complete, and reliable. The tax revenue projections represent prospective information and estimates. D2 assumes no risk for any events or uncertainties that might occur.

* * *

**EXHIBIT 1
SUMMARY OF KEY ASSUMPTIONS**

1. The Project is estimated to cost approximately \$35,380,000.

2. The construction of the Project Improvements will occur in 2021 and 2022 and the abatement period will begin in 2023. The abatement will run ten years at 100% (2023 – 2032), then an additional ten years at 50% (2033 – 2042).

3. The investment in the Project Improvements will produce an estimated assessed value for the Project Site in the amount of \$5,535,162. The new assessed value is calculated utilizing 82% of the hard construction costs to derive the fair market value then multiplying times the appropriate assessment percentage for residential and commercial properties. The following table outlines the estimated values for the equalized assessed value.

	Fair Market Value	EAV Assessment Percentage	Equalized Assessed Value (EAV)
Purchase Price of land and building (Residential)	\$ 960,000	19.00%	\$ 182,400
Purchase Price of land and building (Commercial)	\$ 240,000	32.00%	\$ 76,800
Professional Fees/Plans/Surveys	\$ 980,000		
New Investment Bldg & Site-Residential	\$ 32,230,000	19.00%	\$ 5,021,434
New Investment Bldg & Site-Commercial	\$ 970,000	32.00%	\$ 254,528
Total Value	\$ 35,380,000		
Total AV Post Development			\$ 5,535,162

4. The Project will be owned by the City and leased to the Company with an option to purchase. As long as the Project is owned by the City, it will be exempt from ad valorem taxes.

5. The Project Site, including the Project Improvements, will be excluded from the calculation of ad valorem property taxes for a period of twenty years beginning in 2023 and ending in 2042.

6. During the entire term of the Bonds through 2042, the Company will make payments in lieu of taxes in accordance with that portion of Section IV above in the Plan entitled “Payments in Lieu of Taxes.”

7. Multi-family development real property taxes and commercial real property taxes are calculated using the following formula:

$$(\text{Equalized Assessed Value} * \text{Tax Rate})/100$$

8. The assessed value of the commercial and residential components of the Project Site, including the Project Improvements, are calculated using the following formula:

$$\begin{aligned} \text{Estimated Value} * \text{Assessment Ratio of 19\%} &= \text{Residential} \\ \text{Estimated Value} * \text{Assessment Ratio of 32\%} &= \text{Commercial} \end{aligned}$$

9. After development, the assessed value of the Project Site is subject to growth at an estimated rate of 2% every year.

10. The tax rates used in this Plan reflect the rates in effect for the tax year 2020. The tax rates were held constant through the 2042 tax year.

* * *

EXHIBIT 2

SUMMARY OF COST-BENEFIT ANALYSIS

Parkside Investors, LLC - Parkside at Hobby Hill Project Summary (20-year, Real Property Exemption (Years 1-10 at 100% Abatement; Years 11-20 at 50% Abatement)) PILOTS include Base Value and Incremental PILOTS for each year				
Tax District	Real Property Tax - If No Project Occurs	Real Property Tax Impact - No Exemption/ No Abatement	PILOTS to Taxing Districts	Exemption (Abatement) Value
Clay County - County Services	\$ 3,761	\$ 233,474	\$ 67,890	\$ 169,345
City of Gladstone	20,127	1,166,832	339,796	846,335
Development Disabilities DDRB	2,448	151,974	44,090	110,231
Health Tax	2,041	126,689	36,755	91,891
KCJC Tax	4,610	286,194	83,030	207,585
Library Tax	8,008	497,075	144,211	360,542
Mental Health Tax	2,041	126,689	36,755	91,891
North Kansas City School District	134,389	8,342,273	2,420,253	6,050,878
State of Missouri	650	40,347	11,705	29,265
Commercial Surcharge / Replacement Tax	-	128,001	35,158	92,843
Total	\$ 178,076	\$ 11,099,549	\$ 3,219,645	\$ 8,050,806
Estimated Value of Sales Tax Exemption on Construction Materials				\$ 1,017,000
Estimated Value of Sales Tax Exemption within Jurisdictions				\$ 769,500

EXHIBIT 3

REAL PROPERTY – NO PROJECT OR ABATEMENT

Parkside Investors, LLC Parkside at Hobby Hill		TAX IMPACT - NO PROJECT - NO ABATEMENT											
		Year 1		Year 2		Year 3		Year 4		Year 5		Year 6	
		2022	2023	2024	2025	2026	2027	2028					
		\$ 87,420	89,168	90,952	92,771	94,626	96,519	98,449					
Taxing Jurisdictions													
		Tax Rate											
Clay County - County Services	0.173600	\$ 152	\$ 155	\$ 158	\$ 161	\$ 164	\$ 168	\$ 171					
City of Gladstone	0.929000	\$ 812	\$ 828	\$ 845	\$ 862	\$ 879	\$ 897	\$ 915					
Development Disabilities DDRB	0.113000	\$ 99	\$ 101	\$ 103	\$ 105	\$ 107	\$ 109	\$ 111					
Health Tax	0.094200	\$ 82	\$ 84	\$ 86	\$ 87	\$ 89	\$ 91	\$ 93					
KCJC Tax	0.212800	\$ 186	\$ 190	\$ 194	\$ 197	\$ 201	\$ 205	\$ 209					
Library Tax	0.369600	\$ 323	\$ 330	\$ 336	\$ 343	\$ 350	\$ 357	\$ 364					
Mental Health Tax	0.094200	\$ 82	\$ 84	\$ 86	\$ 87	\$ 89	\$ 91	\$ 93					
North Kansas City School District	6.202900	\$ 5,423	\$ 5,531	\$ 5,642	\$ 5,754	\$ 5,870	\$ 5,987	\$ 6,107					
State of Missouri	0.030000	\$ 26	\$ 27	\$ 27	\$ 28	\$ 28	\$ 29	\$ 30					
Total Tax Agriculture	8.219300	\$ 7,185	\$ 7,329	\$ 7,476	\$ 7,625	\$ 7,778	\$ 7,933	\$ 8,092					

Parkside Investors, LLC Parkside at Hobby Hill		TAX IMPACT - NO PROJECT - NO ABATEMENT															
		Year 7		Year 8		Year 9		Year 10		Year 11		Year 12		Year 13		Year 14	
		2029	2030	2031	2032	2033	2034	2035	2036								
		100,418	102,426	104,475	106,564	108,696	110,870	113,087	115,349								
Taxing Jurisdictions																	
Clay County - County Services		\$ 174	\$ 178	\$ 181	\$ 185	\$ 189	\$ 192	\$ 196	\$ 200								
City of Gladstone		\$ 933	\$ 952	\$ 971	\$ 990	\$ 1,010	\$ 1,030	\$ 1,051	\$ 1,072								
Development Disabilities DDRB		\$ 113	\$ 116	\$ 118	\$ 120	\$ 123	\$ 125	\$ 128	\$ 130								
Health Tax		\$ 95	\$ 96	\$ 98	\$ 100	\$ 102	\$ 104	\$ 107	\$ 109								
KCJC Tax		\$ 214	\$ 218	\$ 222	\$ 227	\$ 231	\$ 236	\$ 241	\$ 245								
Library Tax		\$ 371	\$ 379	\$ 386	\$ 394	\$ 402	\$ 410	\$ 418	\$ 426								
Mental Health Tax		\$ 95	\$ 96	\$ 98	\$ 100	\$ 102	\$ 104	\$ 107	\$ 109								
North Kansas City School District		\$ 6,229	\$ 6,353	\$ 6,480	\$ 6,610	\$ 6,742	\$ 6,877	\$ 7,015	\$ 7,155								
State of Missouri		\$ 30	\$ 31	\$ 31	\$ 32	\$ 33	\$ 33	\$ 34	\$ 35								
Total Tax Agriculture		\$ 8,254	\$ 8,419	\$ 8,587	\$ 8,759	\$ 8,934	\$ 9,113	\$ 9,295	\$ 9,481								

Parkside Investors, LLC Parkside at Hobby Hill		TAX IMPACT - NO PROJECT - NO ABATEMENT												
		Year 15		Year 16		Year 17		Year 18		Year 19		Year 20		Total Yrs 1-20
		2037	2038	2039	2040	2041	2042							
		117,656	120,009	122,409	124,857	127,354	129,902							
Taxing Jurisdictions														
Clay County - County Services		\$ 204	\$ 208	\$ 213	\$ 217	\$ 221	\$ 226	\$ 3,761						
City of Gladstone		\$ 1,093	\$ 1,115	\$ 1,137	\$ 1,160	\$ 1,183	\$ 1,207	\$ 20,127						
Development Disabilities DDRB		\$ 133	\$ 136	\$ 138	\$ 141	\$ 144	\$ 147	\$ 2,448						
Health Tax		\$ 111	\$ 113	\$ 115	\$ 118	\$ 120	\$ 122	\$ 2,041						
KCJC Tax		\$ 250	\$ 255	\$ 260	\$ 266	\$ 271	\$ 276	\$ 4,610						
Library Tax		\$ 435	\$ 444	\$ 452	\$ 461	\$ 471	\$ 480	\$ 8,008						
Mental Health Tax		\$ 111	\$ 113	\$ 115	\$ 118	\$ 120	\$ 122	\$ 2,041						
North Kansas City School District		\$ 7,298	\$ 7,444	\$ 7,593	\$ 7,745	\$ 7,900	\$ 8,058	\$ 134,389						
State of Missouri		\$ 35	\$ 36	\$ 37	\$ 37	\$ 38	\$ 39	\$ 650						
Total Tax Agriculture		\$ 9,670	\$ 9,864	\$ 10,061	\$ 10,262	\$ 10,468	\$ 10,677	\$ 178,076						

EXHIBIT 4

REAL PROPERTY – PROJECT VALUE, NO ABATEMENT

Parkside Investors, LLC Parkside at Hobby Hill	Real Property Tax Calculation - Project Value, No Exemption (Abatement)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
	2022	2023	2024	2025	2026	2027	2028
Estimated Assessed Value - All	\$ 87,420	\$ 5,535,162	\$ 5,645,865	\$ 5,758,783	\$ 5,873,958	\$ 5,991,437	\$ 6,111,266

Taxing Jurisdictions

RESIDENTIAL	Tax Rate	\$ 87,420	\$ 5,203,834	\$ 5,307,911	\$ 5,414,069	\$ 5,522,350	\$ 5,632,797	\$ 5,745,453
Clay County - County Services	0.173600	152	9,034	9,215	9,399	9,587	9,779	9,974
City of Gladstone	0.867000	758	45,117	46,020	46,940	47,879	48,836	49,813
Development Disabilities DDRB	0.113000	99	5,880	5,998	6,118	6,240	6,365	6,492
Health Tax	0.094200	82	4,902	5,000	5,100	5,202	5,306	5,412
KCJC Tax	0.212800	186	11,074	11,295	11,521	11,752	11,987	12,226
Library Tax	0.369600	323	19,233	19,618	20,010	20,411	20,819	21,235
Mental Health Tax	0.094200	82	4,902	5,000	5,100	5,202	5,306	5,412
North Kansas City School District	6.202900	5,423	322,789	329,244	335,829	342,546	349,397	356,385
State of Missouri	0.030000	26	1,561	1,592	1,624	1,657	1,690	1,724
Total	8.157300	\$ 7,131	\$ 424,492	\$ 432,982	\$ 441,642	\$ 450,475	\$ 459,484	\$ 468,674

COMMERCIAL	Tax Rate	\$ -	\$ 331,328	\$ 337,955	\$ 344,714	\$ 351,608	\$ 358,640	\$ 365,813
Clay County - County Services	0.173600	-	575	587	598	610	623	635
City of Gladstone	0.877000	-	2,906	2,964	3,023	3,084	3,145	3,208
Development Disabilities DDRB	0.113000	-	374	382	390	397	405	413
Health Tax	0.094200	-	312	318	325	331	338	345
KCJC Tax	0.212800	-	705	719	734	748	763	778
Library Tax	0.369600	-	1,225	1,249	1,274	1,300	1,326	1,352
Mental Health Tax	0.094200	-	312	318	325	331	338	345
North Kansas City School District	6.202900	-	20,552	20,963	21,382	21,810	22,246	22,691
State of Missouri	0.030000	-	99	101	103	105	108	110
Total	8.167300	\$ -	\$ 27,061	\$ 27,602	\$ 28,154	\$ 28,717	\$ 29,291	\$ 29,877
Commercial Surcharge / Replacement Tax	1.590000	-	5,268	5,373	5,481	5,591	5,702	5,816
Grand Total	9.757300	\$ -	\$ 32,329	\$ 32,975	\$ 33,635	\$ 34,307	\$ 34,994	\$ 35,693

TOTAL ALL PROPERTY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
	2022	2023	2024	2025	2026	2027	2028
Clay County - County Services	152	9,609	9,801	9,997	10,197	10,401	10,609
City of Gladstone	758	48,023	48,983	49,963	50,962	51,982	53,021
Development Disabilities DDRB	99	6,255	6,380	6,507	6,638	6,770	6,906
Health Tax	82	5,214	5,318	5,425	5,533	5,644	5,757
KCJC Tax	186	11,779	12,014	12,255	12,500	12,750	13,005
Library Tax	323	20,458	20,867	21,284	21,710	22,144	22,587
Mental Health Tax	82	5,214	5,318	5,425	5,533	5,644	5,757
North Kansas City School District	5,423	343,341	350,207	357,212	364,356	371,643	379,076
State of Missouri	26	1,661	1,694	1,728	1,762	1,797	1,833
Total	\$ 7,131	\$ 451,553	\$ 460,584	\$ 469,796	\$ 479,192	\$ 488,775	\$ 498,551
Commercial Surcharge / Replacement Tax	-	5,268	5,373	5,481	5,591	5,702	5,816
Grand Total	\$ 7,131	\$ 456,821	\$ 465,957	\$ 475,277	\$ 484,782	\$ 494,478	\$ 504,367

EXHIBIT 4-CONTINUED

REAL PROPERTY – PROJECT VALUE, NO ABATEMENT

Parkside Investors, LLC Parkside at Hobby Hill	Real Property Tax Calculation - Project Value, No Exemption (Abatement)							
	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	2029	2030	2031	2032	2033	2034	2035	2036
Estimated Assessed Value - All	\$ 6,233,491	\$ 6,358,161	\$ 6,485,324	\$ 6,615,031	\$ 6,747,332	\$ 6,882,278	\$ 7,019,924	\$ 7,160,322
Taxing Jurisdictions								
RESIDENTIAL	\$ 5,860,362	\$ 5,977,570	\$ 6,097,121	\$ 6,219,063	\$ 6,343,445	\$ 6,470,314	\$ 6,599,720	\$ 6,731,714
Clay County - County Services	10,174	10,377	10,585	10,796	11,012	11,232	11,457	11,686
City of Gladstone	50,809	51,826	52,862	53,919	54,998	56,098	57,220	58,364
Development Disabilities DDRB	6,622	6,755	6,890	7,028	7,168	7,311	7,458	7,607
Health Tax	5,520	5,631	5,743	5,858	5,976	6,095	6,217	6,341
KCJC Tax	12,471	12,720	12,975	13,234	13,499	13,769	14,044	14,325
Library Tax	21,660	22,093	22,535	22,986	23,445	23,914	24,393	24,880
Mental Health Tax	5,520	5,631	5,743	5,858	5,976	6,095	6,217	6,341
North Kansas City School District	363,512	370,783	378,198	385,762	393,478	401,347	409,374	417,561
State of Missouri	1,758	1,793	1,829	1,866	1,903	1,941	1,980	2,020
Total	\$ 478,047	\$ 487,608	\$ 497,360	\$ 507,308	\$ 517,454	\$ 527,803	\$ 538,359	\$ 549,126
COMMERCIAL	\$ 373,129	\$ 380,592	\$ 388,204	\$ 395,968	\$ 403,887	\$ 411,965	\$ 420,204	\$ 428,608
Clay County - County Services	648	661	674	687	701	715	729	744
City of Gladstone	3,272	3,338	3,405	3,473	3,542	3,613	3,685	3,759
Development Disabilities DDRB	422	430	439	447	456	466	475	484
Health Tax	351	359	366	373	380	388	396	404
KCJC Tax	794	810	826	843	859	877	894	912
Library Tax	1,379	1,407	1,435	1,463	1,493	1,523	1,553	1,584
Mental Health Tax	351	359	366	373	380	388	396	404
North Kansas City School District	23,145	23,608	24,080	24,561	25,053	25,554	26,065	26,586
State of Missouri	112	114	116	119	121	124	126	129
Total	\$ 30,475	\$ 31,084	\$ 31,706	\$ 32,340	\$ 32,987	\$ 33,646	\$ 34,319	\$ 35,006
Commercial Surcharge / Replacement Tax	5,933	6,051	6,172	6,296	6,422	6,550	6,681	6,815
Grand Total	\$ 36,407	\$ 37,135	\$ 37,878	\$ 38,636	\$ 39,408	\$ 40,197	\$ 41,001	\$ 41,821
TOTAL ALL PROPERTY	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	2029	2030	2031	2032	2033	2034	2035	2036
Clay County - County Services	10,821	11,038	11,259	11,484	11,713	11,948	12,187	12,430
City of Gladstone	54,082	55,163	56,267	57,392	58,540	59,711	60,905	62,123
Development Disabilities DDRB	7,044	7,185	7,328	7,475	7,624	7,777	7,933	8,091
Health Tax	5,872	5,989	6,109	6,231	6,356	6,483	6,613	6,745
KCJC Tax	13,265	13,530	13,801	14,077	14,358	14,645	14,938	15,237
Library Tax	23,039	23,500	23,970	24,449	24,938	25,437	25,946	26,465
Mental Health Tax	5,872	5,989	6,109	6,231	6,356	6,483	6,613	6,745
North Kansas City School District	386,657	394,390	402,278	410,324	418,530	426,901	435,439	444,148
State of Missouri	1,870	1,907	1,946	1,985	2,024	2,065	2,106	2,148
Total	\$ 508,522	\$ 518,692	\$ 529,066	\$ 539,648	\$ 550,440	\$ 561,449	\$ 572,678	\$ 584,132
Commercial Surcharge / Replacement Tax	5,933	6,051	6,172	6,296	6,422	6,550	6,681	6,815
Grand Total	\$ 514,455	\$ 524,744	\$ 535,239	\$ 545,943	\$ 556,862	\$ 568,000	\$ 579,360	\$ 590,947

EXHIBIT 4-CONTINUED

REAL PROPERTY – PROJECT VALUE, NO ABATEMENT

Parkside Investors, LLC Parkside at Hobby Hill	Real Property Tax Calculation - Project Value, No Exemption (Abatement)						TOTAL Yrs. 1 - 20
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
	2037	2038	2039	2040	2041	2042	
Estimated Assessed Value - All	\$ 7,303,529	\$ 7,449,599	\$ 7,598,591	\$ 7,750,563	\$ 7,905,574	\$ 8,063,686	
Taxing Jurisdictions							
RESIDENTIAL	\$ 6,866,348	\$ 7,003,675	\$ 7,143,749	\$ 7,286,624	\$ 7,432,356	\$ 7,581,004	Yrs. 1 - 20
Clay County - County Services	11,920	12,158	12,402	12,650	12,903	13,161	219,499
City of Gladstone	59,531	60,722	61,936	63,175	64,439	65,727	1,096,230
Development Disabilities DDRB	7,759	7,914	8,072	8,234	8,399	8,567	142,877
Health Tax	6,468	6,597	6,729	6,864	7,001	7,141	119,106
KCJC Tax	14,612	14,904	15,202	15,506	15,816	16,132	269,063
Library Tax	25,378	25,886	26,403	26,931	27,470	28,019	467,320
Mental Health Tax	6,468	6,597	6,729	6,864	7,001	7,141	119,106
North Kansas City School District	425,913	434,431	443,120	451,982	461,022	470,242	7,842,914
State of Missouri	2,060	2,101	2,143	2,186	2,230	2,274	37,932
Total	\$ 560,109	\$ 571,311	\$ 582,737	\$ 594,392	\$ 606,280	\$ 618,405	\$ 10,314,048
COMMERCIAL							
	\$ 437,180	\$ 445,924	\$ 454,842	\$ 463,939	\$ 473,218	\$ 482,682	Yrs. 1 - 20
Clay County - County Services	759	774	790	805	822	838	13,975
City of Gladstone	3,834	3,911	3,989	4,069	4,150	4,233	70,602
Development Disabilities DDRB	494	504	514	524	535	545	9,097
Health Tax	412	420	428	437	446	455	7,583
KCJC Tax	930	949	968	987	1,007	1,027	17,131
Library Tax	1,616	1,648	1,681	1,715	1,749	1,784	29,754
Mental Health Tax	412	420	428	437	446	455	7,583
North Kansas City School District	27,118	27,660	28,213	28,778	29,353	29,940	499,358
State of Missouri	131	134	136	139	142	145	2,415
Total	\$ 35,706	\$ 36,420	\$ 37,148	\$ 37,891	\$ 38,649	\$ 39,422	\$ 657,500
Commercial Surcharge / Replacement Tax	6,951	7,090	7,232	7,377	7,524	7,675	128,001
Grand Total	\$ 42,657	\$ 43,510	\$ 44,380	\$ 45,268	\$ 46,173	\$ 47,097	\$ 785,502
TOTAL ALL PROPERTY							
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	TOTAL
	2037	2038	2039	2040	2041	2042	Yrs. 1 - 20
Clay County - County Services	12,679	12,933	13,191	13,455	13,724	13,999	233,474
City of Gladstone	63,365	64,633	65,925	67,244	68,589	69,960	1,166,832
Development Disabilities DDRB	8,253	8,418	8,586	8,758	8,933	9,112	151,974
Health Tax	6,880	7,018	7,158	7,301	7,447	7,596	126,689
KCJC Tax	15,542	15,853	16,170	16,493	16,823	17,160	286,194
Library Tax	26,994	27,534	28,084	28,646	29,219	29,803	497,075
Mental Health Tax	6,880	7,018	7,158	7,301	7,447	7,596	126,689
North Kansas City School District	453,031	462,091	471,333	480,760	490,375	500,182	8,342,273
State of Missouri	2,191	2,235	2,280	2,325	2,372	2,419	40,347
Total	\$ 595,814	\$ 607,731	\$ 619,885	\$ 632,283	\$ 644,929	\$ 657,827	\$ 10,971,548
Commercial Surcharge / Replacement Tax	6,951	7,090	7,232	7,377	7,524	7,675	128,001
Grand Total	\$ 602,766	\$ 614,821	\$ 627,117	\$ 639,660	\$ 652,453	\$ 665,502	\$ 11,099,549

EXHIBIT 5

REAL PROPERTY – PILOT VALUE

Parkside Investors, LLC Parkside at Hobby Hill		Tax Impact - PILOTS to Taxing Jurisdictions						
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
		2022	2023	2024	2025	2026	2027	2028
Taxing Jurisdictions								
RESIDENTIAL								
Clay County - County Services	0.173600	\$ 152	\$ 155	\$ 158	\$ 161	\$ 164	\$ 168	\$ 171
City of Gladstone	0.867000	758	828	845	862	879	897	915
Development Disabilities DDRB	0.113000	99	101	103	105	107	109	111
Health Tax	0.094200	82	84	86	87	89	91	93
KCJC Tax	0.212800	186	190	194	197	201	205	209
Library Tax	0.369600	323	330	336	343	350	357	364
Mental Health Tax	0.094200	82	84	86	87	89	91	93
North Kansas City School District	6.202900	5,423	5,531	5,642	5,754	5,870	5,987	6,107
State of Missouri	0.030000	26	27	27	28	28	29	30
Total	8.157300	\$ 7,131	\$ 7,329	\$ 7,476	\$ 7,625	\$ 7,778	\$ 7,933	\$ 8,092

Taxing Jurisdictions								
COMMERCIAL								
Clay County - County Services	0.173600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Gladstone	0.877000	0	0	0	0	0	0	0
Development Disabilities DDRB	0.113000	0	0	0	0	0	0	0
Health Tax	0.094200	0	0	0	0	0	0	0
KCJC Tax	0.212800	0	0	0	0	0	0	0
Library Tax	0.369600	0	0	0	0	0	0	0
Mental Health Tax	0.094200	0	0	0	0	0	0	0
North Kansas City School District	6.202900	0	0	0	0	0	0	0
State of Missouri	0.030000	0	0	0	0	0	0	0
Total	8.167300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Surcharge / Replacement Tax	1.590000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	9.757300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	2022	2023	2024	2025	2026	2027	2028
TOTAL ALL PROPERTY							
Clay County - County Services	\$ 152	\$ 155	\$ 158	\$ 161	\$ 164	\$ 168	\$ 171
City of Gladstone	758	828	845	862	879	897	915
Development Disabilities DDRB	99	101	103	105	107	109	111
Health Tax	82	84	86	87	89	91	93
KCJC Tax	186	190	194	197	201	205	209
Library Tax	323	330	336	343	350	357	364
Mental Health Tax	82	84	86	87	89	91	93
North Kansas City School District	5,423	5,531	5,642	5,754	5,870	5,987	6,107
State of Missouri	26	27	27	28	28	29	30
Total	\$ 7,131	\$ 7,329	\$ 7,476	\$ 7,625	\$ 7,778	\$ 7,933	\$ 8,092
Commercial Surcharge / Replacement Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 7,131	\$ 7,329	\$ 7,476	\$ 7,625	\$ 7,778	\$ 7,933	\$ 8,092

EXHIBIT 5-CONTINUED

REAL PROPERTY – PILOT VALUE

Parkside Investors, LLC Parkside at Hobby Hill	Tax Impact - PILOTS to Taxing Jurisdictions							
	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	2029	2030	2031	2032	2033	2034	2035	2036
Taxing Jurisdictions								
RESIDENTIAL								
Clay County - County Services	\$ 174	\$ 178	\$ 181	\$ 185	\$ 5,695	\$ 5,809	\$ 5,925	\$ 6,043
City of Gladstone	933	952	971	990	28,509	29,079	29,660	30,254
Development Disabilities DDRB	113	116	118	120	3,707	3,781	3,857	3,934
Health Tax	95	96	98	100	3,090	3,152	3,215	3,279
KCJC Tax	214	218	222	227	6,981	7,120	7,263	7,408
Library Tax	371	379	386	394	12,124	12,367	12,614	12,867
Mental Health Tax	95	96	98	100	3,090	3,152	3,215	3,279
North Kansas City School District	6,229	6,353	6,480	6,610	203,481	207,551	211,702	215,936
State of Missouri	30	31	31	32	984	1,004	1,024	1,044
Total	\$ 8,254	\$ 8,419	\$ 8,587	\$ 8,759	\$ 267,661	\$ 273,014	\$ 278,474	\$ 284,044

Taxing Jurisdictions								
COMMERCIAL								
Clay County - County Services	\$ -	\$ -	\$ -	\$ -	\$ 351	\$ 358	\$ 365	\$ 372
City of Gladstone	0	0	0	0	1,771	1,806	1,843	1,879
Development Disabilities DDRB	0	0	0	0	228	233	237	242
Health Tax	0	0	0	0	190	194	198	202
KCJC Tax	0	0	0	0	430	438	447	456
Library Tax	0	0	0	0	746	761	777	792
Mental Health Tax	0	0	0	0	190	194	198	202
North Kansas City School District	0	0	0	0	12,526	12,777	13,032	13,293
State of Missouri	0	0	0	0	61	62	63	64
Total	\$ -	\$ -	\$ -	\$ -	\$ 16,493	\$ 16,823	\$ 17,160	\$ 17,503
Commercial Surcharge / Replacement Tax	\$ -	\$ -	\$ -	\$ -	\$ 3,211	\$ 3,275	\$ 3,341	\$ 3,407
Grand Total	\$ -	\$ -	\$ -	\$ -	\$ 19,704	\$ 20,098	\$ 20,500	\$ 20,910

TOTAL ALL PROPERTY	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	2029	2030	2031	2032	2033	2034	2035	2036
Clay County - County Services	\$ 174	\$ 178	\$ 181	\$ 185	\$ 6,045	\$ 6,166	\$ 6,290	\$ 6,415
City of Gladstone	933	952	971	990	30,280	30,885	31,503	32,133
Development Disabilities DDRB	113	116	118	120	3,935	4,014	4,094	4,176
Health Tax	95	96	98	100	3,280	3,346	3,413	3,481
KCJC Tax	214	218	222	227	7,410	7,559	7,710	7,864
Library Tax	371	379	386	394	12,871	13,128	13,391	13,659
Mental Health Tax	95	96	98	100	3,280	3,346	3,413	3,481
North Kansas City School District	6,229	6,353	6,480	6,610	216,007	220,328	224,734	229,229
State of Missouri	30	31	31	32	1,045	1,066	1,087	1,109
Total	\$ 8,254	\$ 8,419	\$ 8,587	\$ 8,759	\$ 284,154	\$ 289,837	\$ 295,634	\$ 301,547
Commercial Surcharge / Replacement Tax	\$ -	\$ -	\$ -	\$ -	\$ 3,211	\$ 3,275	\$ 3,341	\$ 3,407
Grand Total	\$ 8,254	\$ 8,419	\$ 8,587	\$ 8,759	\$ 287,365	\$ 293,112	\$ 298,975	\$ 304,954

EXHIBIT 5-CONTINUED
REAL PROPERTY – PILOT VALUE

Parkside Investors, LLC Parkside at Hobby Hill	Tax Impact - PILOTS to Taxing Jurisdictions						Total
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
	2037	2038	2039	2040	2041	2042	
Taxing Jurisdictions							
RESIDENTIAL							
Clay County - County Services	\$ 6,164	\$ 6,288	\$ 6,413	\$ 6,542	\$ 6,672	\$ 6,806	\$ 64,052
City of Gladstone	30,859	31,476	32,105	32,747	33,402	34,070	\$ 320,403
Development Disabilities DDRB	4,012	4,093	4,175	4,258	4,343	4,430	\$ 41,592
Health Tax	3,345	3,412	3,480	3,550	3,621	3,693	\$ 34,672
KCJC Tax	7,556	7,707	7,861	8,019	8,179	8,343	\$ 78,325
Library Tax	13,124	13,386	13,654	13,927	14,206	14,490	\$ 136,038
Mental Health Tax	3,345	3,412	3,480	3,550	3,621	3,693	\$ 34,672
North Kansas City School District	220,254	224,660	229,153	233,736	238,410	243,179	\$ 2,283,093
State of Missouri	1,065	1,087	1,108	1,130	1,153	1,176	\$ 11,042
Total	\$ 289,725	\$ 295,519	\$ 301,430	\$ 307,458	\$ 313,607	\$ 319,880	\$ 3,003,889

Taxing Jurisdictions							
COMMERCIAL							
Clay County - County Services	\$ 379	\$ 387	\$ 395	\$ 403	\$ 411	\$ 419	\$ 3,839
City of Gladstone	1,917	1,955	1,994	2,034	2,075	2,117	\$ 19,392
Development Disabilities DDRB	247	252	257	262	267	273	\$ 2,499
Health Tax	206	210	214	219	223	227	\$ 2,083
KCJC Tax	465	474	484	494	504	514	\$ 4,705
Library Tax	808	824	841	857	875	892	\$ 8,173
Mental Health Tax	206	210	214	219	223	227	\$ 2,083
North Kansas City School District	13,559	13,830	14,107	14,389	14,677	14,970	\$ 137,160
State of Missouri	66	67	68	70	71	72	\$ 663
Total	\$ 17,853	\$ 18,210	\$ 18,574	\$ 18,946	\$ 19,325	\$ 19,711	\$ 180,597
Commercial Surcharge / Replacement Tax	\$ 3,476	\$ 3,545	\$ 3,616	\$ 3,688	\$ 3,762	\$ 3,837	\$ 35,158
Grand Total	\$ 21,328	\$ 21,755	\$ 22,190	\$ 22,634	\$ 23,087	\$ 23,548	\$ 215,756

	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
	2037	2038	2039	2040	2041	2042	
TOTAL ALL PROPERTY							
Clay County - County Services	\$ 6,544	\$ 6,675	\$ 6,808	\$ 6,944	\$ 7,083	\$ 7,225	\$ 67,890
City of Gladstone	32,776	33,431	34,100	34,782	35,477	36,187	339,796
Development Disabilities DDRB	4,259	4,345	4,432	4,520	4,611	4,703	44,090
Health Tax	3,551	3,622	3,694	3,768	3,843	3,920	36,755
KCJC Tax	8,021	8,182	8,345	8,512	8,683	8,856	83,030
Library Tax	13,932	14,210	14,495	14,785	15,080	15,382	144,211
Mental Health Tax	3,551	3,622	3,694	3,768	3,843	3,920	36,755
North Kansas City School District	233,813	238,490	243,259	248,125	253,087	258,149	2,420,253
State of Missouri	1,131	1,153	1,177	1,200	1,224	1,249	11,705
Total	\$ 307,578	\$ 313,729	\$ 320,004	\$ 326,404	\$ 332,932	\$ 339,591	\$ 3,184,486
Commercial Surcharge / Replacement Tax	\$ 3,476	\$ 3,545	\$ 3,616	\$ 3,688	\$ 3,762	\$ 3,837	\$ 35,158
Grand Total	\$ 311,053	\$ 317,274	\$ 323,620	\$ 330,092	\$ 336,694	\$ 343,428	\$ 3,219,645

EXHIBIT 6

REAL PROPERTY – PROJECTED TAX ABATEMENT VALUE

Parkside Investors, LLC Parkside at Hobby Hill Incremenatal Assessed Value Years 1-10 at 100% Abatement; Years 11-20 at 50% Abatement	Real Property Tax Impact - Exemption (Abatement) Value						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
	2022	2023	2024	2025	2026	2027	2028
\$	87,420	5,535,162	5,645,865	5,758,783	5,873,958	5,991,437	6,111,266
	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Taxing Jurisdictions

RESIDENTIAL	\$	87,420	\$	5,203,834	\$	5,307,911	\$	5,414,069	\$	5,522,350	\$	5,632,797	\$	5,745,453
Clay County - County Services	0.173600	\$ -	\$	9,034	\$	9,215	\$	9,399	\$	9,587	\$	9,779	\$	9,974
City of Gladstone	0.867000	0		45,117		46,020		46,940		47,879		48,836		49,813
Development Disabilities DDRB	0.113000	0		5,880		5,998		6,118		6,240		6,365		6,492
Health Tax	0.094200	0		4,902		5,000		5,100		5,202		5,306		5,412
KCJC Tax	0.212800	0		11,074		11,295		11,521		11,752		11,987		12,226
Library Tax	0.369600	0		19,233		19,618		20,010		20,411		20,819		21,235
Mental Health Tax	0.094200	0		4,902		5,000		5,100		5,202		5,306		5,412
North Kansas City School District	6.202900	0		322,789		329,244		335,829		342,546		349,397		356,385
State of Missouri	0.030000	0		1,561		1,592		1,624		1,657		1,690		1,724
Total	8.157300	\$ -	\$	424,492	\$	432,982	\$	441,642	\$	450,475	\$	459,484	\$	468,674

Taxing Jurisdictions

COMMERCIAL	\$	-	\$	331,328	\$	337,955	\$	344,714	\$	351,608	\$	358,640	\$	365,813
Clay County - County Services	0.173600	\$ -	\$	575	\$	587	\$	598	\$	610	\$	623	\$	635
City of Gladstone	0.877000	0		2,906		2,964		3,023		3,084		3,145		3,208
Development Disabilities DDRB	0.113000	0		374		382		390		397		405		413
Health Tax	0.094200	0		312		318		325		331		338		345
KCJC Tax	0.212800	0		705		719		734		748		763		778
Library Tax	0.369600	0		1,225		1,249		1,274		1,300		1,326		1,352
Mental Health Tax	0.094200	0		312		318		325		331		338		345
North Kansas City School District	6.202900	0		20,552		20,963		21,382		21,810		22,246		22,691
State of Missouri	0.030000	0		99		101		103		105		108		110
Total	8.167300	\$ -	\$	27,061	\$	27,602	\$	28,154	\$	28,717	\$	29,291	\$	29,877
Commercial Surcharge / Replacement Tax	1.590000	\$ -	\$	5,268	\$	5,373	\$	5,481	\$	5,591	\$	5,702	\$	5,816
Grand Total	9.757300	\$ -	\$	32,329	\$	32,975	\$	33,635	\$	34,307	\$	34,994	\$	35,693

TOTAL ALL PROPERTY	2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028
Clay County - County Services	\$ -	\$ 9,609	\$ 9,801	\$ 9,997	\$ 10,197	\$ 10,401	\$ 10,609
City of Gladstone	0	48,023	48,983	49,963	50,962	51,982	53,021
Development Disabilities DDRB	0	6,255	6,380	6,507	6,638	6,770	6,906
Health Tax	0	5,214	5,318	5,425	5,533	5,644	5,757
KCJC Tax	0	11,779	12,014	12,255	12,500	12,750	13,005
Library Tax	0	20,458	20,867	21,284	21,710	22,144	22,587
Mental Health Tax	0	5,214	5,318	5,425	5,533	5,644	5,757
North Kansas City School District	0	343,341	350,207	357,212	364,356	371,643	379,076
State of Missouri	0	1,661	1,694	1,728	1,762	1,797	1,833
Total	\$ -	\$ 451,553	\$ 460,584	\$ 469,796	\$ 479,192	\$ 488,775	\$ 498,551
Commercial Surcharge / Replacement Tax	\$ -	\$ 5,268	\$ 5,373	\$ 5,481	\$ 5,591	\$ 5,702	\$ 5,816
Grand Total	\$ -	\$ 456,821	\$ 465,957	\$ 475,277	\$ 484,782	\$ 494,478	\$ 504,367

EXHIBIT 6-CONTINUED

REAL PROPERTY – PROJECTED TAX ABATEMENT VALUE

Parkside Investors, LLC Parkside at Hobby Hill	Real Property Tax Impact - Exemption (Abatement) Value							
	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
	2029	2030	2031	2032	2033	2034	2035	2036
Incremental Assessed Value	6,233,491	6,358,161	6,485,324	6,615,031	6,747,332	6,882,278	7,019,924	7,160,322
Years 1-10 at 100% Abatement; Years 11-20 at 50% Abatement	100.0%	100.0%	100.0%	100.0%	50.0%	50.0%	50.0%	50.0%
Taxing Jurisdictions								
RESIDENTIAL	\$ 5,860,362	\$ 5,977,570	\$ 6,097,121	\$ 6,219,063	\$ 6,343,445	\$ 6,470,314	\$ 6,599,720	\$ 6,731,714
Clay County - County Services	\$ 10,174	\$ 10,377	\$ 10,585	\$ 10,796	\$ 5,506	\$ 5,616	\$ 5,729	\$ 5,843
City of Gladstone	50,809	51,826	52,862	53,919	27,499	28,049	28,610	29,182
Development Disabilities DDRB	6,622	6,755	6,890	7,028	3,584	3,656	3,729	3,803
Health Tax	5,520	5,631	5,743	5,858	2,988	3,048	3,108	3,171
KCIC Tax	12,471	12,720	12,975	13,234	6,749	6,884	7,022	7,163
Library Tax	21,660	22,093	22,535	22,986	11,723	11,957	12,196	12,440
Mental Health Tax	5,520	5,631	5,743	5,858	2,988	3,048	3,108	3,171
North Kansas City School District	363,512	370,783	378,198	385,762	196,739	200,674	204,687	208,781
State of Missouri	1,758	1,793	1,829	1,866	952	971	990	1,010
Total	\$ 478,047	\$ 487,608	\$ 497,360	\$ 507,308	\$ 258,727	\$ 263,901	\$ 269,179	\$ 274,563

Taxing Jurisdictions								
COMMERCIAL	\$ 373,129	\$ 380,592	\$ 388,204	\$ 395,968	\$ 403,887	\$ 411,965	\$ 420,204	\$ 428,608
Clay County - County Services	\$ 648	\$ 661	\$ 674	\$ 687	\$ 351	\$ 358	\$ 365	\$ 372
City of Gladstone	3,272	3,338	3,405	3,473	1,771	1,806	1,843	1,879
Development Disabilities DDRB	422	430	439	447	228	233	237	242
Health Tax	351	359	366	373	190	194	198	202
KCIC Tax	794	810	826	843	430	438	447	456
Library Tax	1,379	1,407	1,435	1,463	746	761	777	792
Mental Health Tax	351	359	366	373	190	194	198	202
North Kansas City School District	23,145	23,608	24,080	24,561	12,526	12,777	13,032	13,293
State of Missouri	112	114	116	119	61	62	63	64
Total	\$ 30,475	\$ 31,084	\$ 31,706	\$ 32,340	\$ 16,493	\$ 16,823	\$ 17,160	\$ 17,503
Commercial Surcharge / Replacement Tax	\$ 5,933	\$ 6,051	\$ 6,172	\$ 6,296	\$ 3,211	\$ 3,275	\$ 3,341	\$ 3,407
Grand Total	\$ 36,407	\$ 37,135	\$ 37,878	\$ 38,636	\$ 19,704	\$ 20,098	\$ 20,500	\$ 20,910

	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
TOTAL ALL PROPERTY	2029	2030	2031	2032	2033	2034	2035	2036
Clay County - County Services	\$ 10,821	\$ 11,038	\$ 11,259	\$ 11,484	\$ 5,857	\$ 5,974	\$ 6,093	\$ 6,215
City of Gladstone	54,082	55,163	56,267	57,392	29,270	29,855	30,452	31,061
Development Disabilities DDRB	7,044	7,185	7,328	7,475	3,812	3,888	3,966	4,046
Health Tax	5,872	5,989	6,109	6,231	3,178	3,242	3,306	3,373
KCIC Tax	13,265	13,530	13,801	14,077	7,179	7,323	7,469	7,619
Library Tax	23,039	23,500	23,970	24,449	12,469	12,718	12,973	13,232
Mental Health Tax	5,872	5,989	6,109	6,231	3,178	3,242	3,306	3,373
North Kansas City School District	386,657	394,390	402,278	410,324	209,265	213,450	217,719	222,074
State of Missouri	1,870	1,907	1,946	1,985	1,012	1,032	1,053	1,074
Total	\$ 508,522	\$ 518,692	\$ 529,066	\$ 539,648	\$ 275,220	\$ 280,725	\$ 286,339	\$ 292,066
Commercial Surcharge / Replacement Tax	\$ 5,933	\$ 6,051	\$ 6,172	\$ 6,296	\$ 3,211	\$ 3,275	\$ 3,341	\$ 3,407
Grand Total	\$ 514,455	\$ 524,744	\$ 535,239	\$ 545,943	\$ 278,431	\$ 284,000	\$ 289,680	\$ 295,473

EXHIBIT 6-CONTINUED

REAL PROPERTY – PROJECTED TAX ABATEMENT VALUE

Parkside Investors, LLC Parkside at Hobby Hill	Real Property Tax Impact - Exemption (Abatement) Value						TOTALS
	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
	2037	2038	2039	2040	2041	2042	
Incremenatal Assessed Value	7,303,529	7,449,599	7,598,591	7,750,563	7,905,574	8,063,686	
Years 1-10 at 100% Abatement; Years 11-20 at 50% Abatement	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	
Taxing Jurisdictions							
RESIDENTIAL	\$ 6,866,348	\$ 7,003,675	\$ 7,143,749	\$ 7,286,624	\$ 7,432,356	\$ 7,581,004	
Clay County - County Services	\$ 5,960	\$ 6,079	\$ 6,201	\$ 6,325	\$ 6,451	\$ 6,580	\$ 159,209
City of Gladstone	29,766	30,361	30,968	31,588	32,219	32,864	\$ 795,126
Development Disabilities DDRB	3,879	3,957	4,036	4,117	4,199	4,283	\$ 103,632
Health Tax	3,234	3,299	3,365	3,432	3,501	3,571	\$ 86,391
KCJC Tax	7,306	7,452	7,601	7,753	7,908	8,066	\$ 195,159
Library Tax	12,689	12,943	13,202	13,466	13,735	14,010	\$ 338,960
Mental Health Tax	3,234	3,299	3,365	3,432	3,501	3,571	\$ 86,391
North Kansas City School District	212,956	217,215	221,560	225,991	230,511	235,121	\$ 5,688,680
State of Missouri	1,030	1,051	1,072	1,093	1,115	1,137	\$ 27,513
Total	\$ 280,054	\$ 285,655	\$ 291,369	\$ 297,196	\$ 303,140	\$ 309,203	\$ 7,481,060

Taxing Jurisdictions							
COMMERCIAL	\$ 437,180	\$ 445,924	\$ 454,842	\$ 463,939	\$ 473,218	\$ 482,682	
Clay County - County Services	\$ 379	\$ 387	\$ 395	\$ 403	\$ 411	\$ 419	\$ 10,137
City of Gladstone	1,917	1,955	1,994	2,034	2,075	2,117	\$ 51,210
Development Disabilities DDRB	247	252	257	262	267	273	\$ 6,598
Health Tax	206	210	214	219	223	227	\$ 5,501
KCJC Tax	465	474	484	494	504	514	\$ 12,426
Library Tax	808	824	841	857	875	892	\$ 21,582
Mental Health Tax	206	210	214	219	223	227	\$ 5,501
North Kansas City School District	13,559	13,830	14,107	14,389	14,677	14,970	\$ 362,198
State of Missouri	66	67	68	70	71	72	\$ 1,752
Total	\$ 17,853	\$ 18,210	\$ 18,574	\$ 18,946	\$ 19,325	\$ 19,711	\$ 476,903
Commercial Surcharge / Replacement Tax	\$ 3,476	\$ 3,545	\$ 3,616	\$ 3,688	\$ 3,762	\$ 3,837	\$ 92,843
Grand Total	\$ 21,328	\$ 21,755	\$ 22,190	\$ 22,634	\$ 23,087	\$ 23,548	\$ 569,746

	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
	2037	2038	2039	2040	2041	2042	
TOTAL ALL PROPERTY							
Clay County - County Services	\$ 6,339	\$ 6,466	\$ 6,596	\$ 6,727	\$ 6,862	\$ 6,999	\$ 169,345
City of Gladstone	31,683	32,316	32,963	33,622	34,294	34,980	\$ 846,335
Development Disabilities DDRB	4,126	4,209	4,293	4,379	4,467	4,556	\$ 110,231
Health Tax	3,440	3,509	3,579	3,651	3,724	3,798	\$ 91,891
KCJC Tax	7,771	7,926	8,085	8,247	8,412	8,580	\$ 207,585
Library Tax	13,497	13,767	14,042	14,323	14,610	14,902	\$ 360,542
Mental Health Tax	3,440	3,509	3,579	3,651	3,724	3,798	\$ 91,891
North Kansas City School District	226,515	231,046	235,667	240,380	245,187	250,091	\$ 6,050,878
State of Missouri	1,096	1,117	1,140	1,163	1,186	1,210	\$ 29,265
Total	\$ 297,907	\$ 303,865	\$ 309,943	\$ 316,142	\$ 322,464	\$ 328,914	\$ 7,957,963
Commercial Surcharge / Replacement Tax	\$ 3,476	\$ 3,545	\$ 3,616	\$ 3,688	\$ 3,762	\$ 3,837	\$ 92,843
Grand Total	\$ 301,383	\$ 307,410	\$ 313,559	\$ 319,830	\$ 326,226	\$ 332,751	\$ 8,050,806

EXHIBIT 7

SALES TAX EXEMPTION – CONSTRUCTION MATERIALS

**Parkside Investors, LLC
Parkside at Hobby Hill**

Construction Materials

Overall Project Hard Cost \$ 33,200,000
Estimate of Construction Materials \$ 12,000,000

Jurisdiction	Rate	Exemption Estimate
State of Missouri		
General Sales Tax	3.0000% \$	360,000
Conservation Sales Tax	0.1250% \$	15,000
Education Sales Tax	1.0000% \$	120,000
Parks and Soil Sales Tax	0.1000% \$	12,000
Missouri Sales Tax - Subtotal	4.2250% \$	507,000
% Estimated to be Acquired in Jurisdiction	100% \$	507,000
City of Gladstone		
	3.0000% \$	360,000
% Estimated to be Acquired in Jurisdiction	50% \$	180,000
Clay County		
	1.1250% \$	135,000
% Estimated to be Acquired in Jurisdiction	50% \$	67,500
KC Zoological District		
	0.1250% \$	15,000
% Estimated to be Acquired in Jurisdiction	100% \$	15,000
Total Estimate of Sales Tax - Construction Materials		
	8.4750% \$	1,017,000
Estimate Acquired in Jurisdiction	\$	769,500

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<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
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<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
City of Gladstone, Missouri
R.D. Mallams, Mayor
Gladstone City Hall
7010 North Holmes St.
Gladstone, MO 64118

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
Metropolitan Community College
Kimberly Beatty, Chancellor
3200 Broadway
Kansas City, MO 64111

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Certified Mail Fee \$3.75

Extra Services & Fees (check box, add fee as appropriate)

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
North Kansas City School District
Dr. Dan Clemens, Superintendent
2000 NE 46th Street
Kansas City, MO 64116

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Liberty, MO 64068

Certified Mail Fee \$3.75

Extra Services & Fees (check box, add fee as appropriate)

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
Developmental Disabilities
Resource Board of Clay County
Attn: Executive Director
920 Kent Street
Liberty, MO 64068

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Liberty, MO 64068

Certified Mail Fee \$3.75

Extra Services & Fees (check box, add fee as appropriate)

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
Clay County Health Department
Gary E. Zaborac, Director
800 Haines Drive
Liberty, MO 64068

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Liberty, MO 64068

Certified Mail Fee \$3.75

Extra Services & Fees (check box, add fee as appropriate)

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56

Total Postage and Certified Mail Fee \$5.31

Sent To
 Street and Apt. No.:
 City, State, ZIP+4*
Clay County, Missouri
Attn: County Commissioner
Liberty Office
1 Courthouse Square
Liberty, MO 64068

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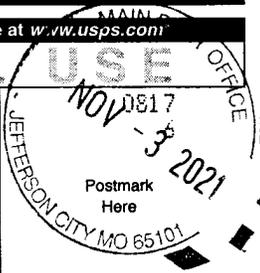
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Jefferson City, MO 65101

Certified Mail Fee	\$3.75
Postage	\$1.56
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56
 Total Postage and Certified Mail Fee \$5.31
 Sent To Missouri Department of Revenue
 Blind Pension Fund
 Steve Corsi, Psy.D., Director
 Street and Apt. No. 221 West High Street
 City, State, ZIP+4 Jefferson City, MO 65101

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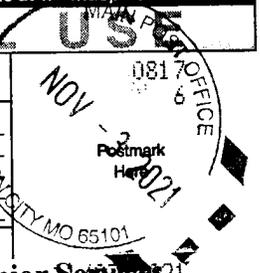
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Kansas City, MO 64116

Certified Mail Fee	\$3.75
Postage	\$1.56
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56
 Total Postage and Certified Mail Fee \$5.31
 Sent To Clay County Senior Services
 Attn: Robert Steinkamp, Chair
 Street and Apt. No. 4444 N. Belleview, #110
 City, State, ZIP+4 Gladstone, MO 64116

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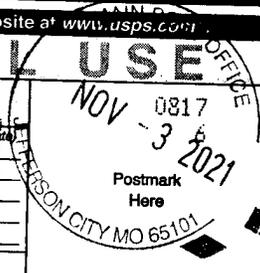
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Independence, MO 64050

Certified Mail Fee	\$3.75
Postage	\$1.56
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56
 Total Postage and Certified Mail Fee \$5.31
 Sent To Mid Continent Public Library
 Steven V. Potter, Director
 Street and Apt. No. 15616 E. Highway 24
 City, State, ZIP+4 Independence, MO 64050

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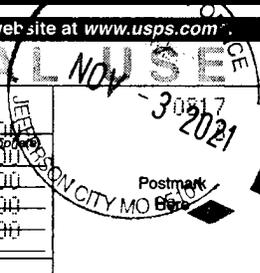
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Kansas City, MO 64119

Certified Mail Fee	\$3.75
Postage	\$1.56
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.56
 Total Postage and Certified Mail Fee \$5.31
 Sent To Tri-County Mental Health Services
 Board of Trustees
 Street and Apt. No. 3100 NE 83rd Street, Suite 1001
 City, State, ZIP+4 Kansas City, MO 64119

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Costs \$53.10



**MINUTES
REGULAR CITY COUNCIL MEETING
GLADSTONE, MISSOURI
MONDAY, DECEMBER 13, 2021**

PRESENT: Mayor R.D. Mallams
Mayor Pro Tem Bill Garnos
Councilmember Jean Moore
Councilman Tom Frisby
Councilmember Tina Spallo

City Manager Scott Wingerson
Assistant City Manager Bob Baer
City Attorney Chris Williams

Item No. 1. On the Agenda. Meeting Called to Order.

Mayor Mallams opened the Regular City Council Meeting Monday, December 13, 2021, at 7:30 pm.

Item No. 2. On the Agenda. Roll Call.

Mayor Mallams stated that all Councilmembers were present.

Item No. 3. On the Agenda. Pledge of Allegiance to the Flag of the United States of America.

Item No. 4. On the Agenda. Approval of Agenda.

The agenda was approved as published.

Item No. 5. On the Agenda. Approval of the November 8, 2021, Closed City Council Meeting Minutes.

Mayor Pro Tem Garnos moved to approve the minutes of the November 8, 2021, Closed City Council meeting as presented. **Councilmember Spallo** seconded. The Vote: "aye", Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 6. On the Agenda. Approval of the November 8, 2021, Regular City Council Meeting Minutes.

Mayor Pro Tem Garnos moved to approve the minutes of the November 8, 2021, Regular City Council meeting as presented. **Councilmember Spallo** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 7. On the Agenda. Consent Agenda

Following the Clerks’ reading:

Councilmember Moore moved to approve the Consent Agenda as published. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-54** A Resolution authorizing the City Manager to execute a Settlement Agreement and Mutual Release with North American Specialty Insurance Company for final payment in the amount of \$25,524.42 for work completed on the 2019 Water Main Replacement Project WP1986. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-55** A Resolution authorizing the City Manager to execute a Contract with MEGAKC Corporation, in the total amount not to exceed \$281,250.00 for the Carriage Commons Drainage Improvements Project CP2132 pending concurrence from the Missouri Department of Natural Resources. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-56** A Resolution authorizing the execution of a Contract with Spectrum Enterprise for Fiber Internet Service. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve **RESOLUTION R-21-57** A Resolution authorizing the City Manager to enter into an Agreement with Enterprise Fleet Management for acquisition and disposal of vehicles. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve the **Building Permit** at Van Subaru, 90 NW Vivion Road. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to ratify the **Special Event Permit**: Atkins-Johnson Farm and Museum, Cookies with Santa. Saturday, December 11, 2021 from 12:00 pm to 3:00 pm. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore moved to approve the **Financial Report Month End October 2021**. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 8. On the Agenda. Communications from the Audience.

Jim Oldebeken, NE 76th Terrace, addressed the City Council. Mr. Oldebeken said that one of his primary goals is to help the community prepare to have one of the grandest 250th celebrations of the Declaration of Independence in this region. His hope for this celebration is for a spark in democracy restoration at the citizen level. He is concerned about a couple of things, one of which is citizens attending these meetings. Looking back on some old minutes from 1974, he was impressed about how many citizens were present. Mr. Oldebeken read a few sentences from those minutes. He said that citizens should be aware of what goes on in their city, and there is no better way to do that than to attend these meetings in person.

Mr. Oldebeken said that in some ways our difficulties with citizen involvement and the lack of a newspaper, have contributed to an on-going issue from one citizen who has been here often talking about personal concerns and his demands of this City. This has resulted in a lawsuit that was filed in January of this year for \$150 Million. Mr. Oldebeken said he believes that there are consequences for being so focused on one citizen and his demands. He thinks maybe there is a chance to benefit from this low spot by citizens becoming informed of this issue.

Mr. Oldebeken stated that because citizens have not been at these meetings, they may not be aware of this situation. He has focused himself, until the end of the year, to help our community become aware of this lawsuit. He presented the City Council with a packet of information that he has been distributing throughout the City. He continued by going into detail about the cave property that is involved in the lawsuit including maps that depict the cave. Mr. Oldebeken thanked the City Council for their time this evening.

REGULAR AGENDA

Item No. 9. On the Agenda. Communications from the City Council.

- Board and Commission Appointments (attached)

Mayor Mallams said that the City Council has two plaques for individuals stepping down from their service on a Board and Commission. *(They were not present)* Sid Robbins, who has served on the Arts Commission, and Lauren Crome, who has served on the Parks and Recreation Advisory Board. He thanked them both for their service.

Councilmember Moore moved to approve the **Board and Commission Appointments**. **Councilmember Spallo** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Councilmember Moore wished everyone a Merry Christmas and Happy Holidays.

Councilmember Spallo said that it has been a fantastic year for our City with all the work that has already been completed and the projects still to come as well as the change in our Police and Fire Departments. There is still a lot of work ahead of us and the City Council looks forward to supporting all that is yet to come in 2022. She also wished everyone Happy Holidays.

Councilman Frisby agreed with and echoed Councilmember Spallo’s comments.

Mayor Mallams thanked the City Council and City staff who worked to make the Mayor’s Christmas Tree lighting a great success. It was a great night! Also thanks to those who have supported the three non-profits. Thank you to Councilmember Spallo who is the Chair for Northland Christmas Store. Mayor Mallams passed along his congratulations to Director Accurso and his staff for the recent successful audit. He wished everyone a very happy and safe Holiday Season.

Item No. 10. On the Agenda. Communications from the City Manager.

City Manager Wingerson announced that there were two pots of Federal funds that the City qualified for related to COVID. The first was CARES. About a year ago the City received \$2.5 Million, which was used for small business grants, help residents with utilities, and PPE for City personnel. A few months ago, the City received \$2.7 Million of a project \$5.4 Million of ARPA Funds. Those funds are currently in a holding account waiting for the Federal Government to issue their final ruling on how those monies can be used. As soon as they do that, staff will have some recommendations on how best to apply those funds to benefit the community.

City Manager Wingerson also took a moment to thank Assistant City Manager Baer for stepping up in the last week as City Clerk and again tonight. City Hall will be closed on December 23 and 24 for the Christmas Holiday. Merry Christmas to everyone!

Regular Agenda

Item No. 11. On the Agenda. **First Reading Bill No. 21-38** An Ordinance amending Title IX of the City of Gladstone, Missouri, Code of Ordinances by repealing certain provisions contained therein and enacting in lieu thereof new provisions designated as Title IX relating to the Construction and Maintenance of Structures and Property within the City and designated as the “Building and Construction Ordinance” for the City of Gladstone, Clay County, Missouri.

Councilman Frisby moved **Bill No. 21-38** be placed on its First Reading. **Councilmember Moore** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilman Frisby moved to accept the First Reading of **Bill No. 21-38**, waive the rule, and place the Bill on its Second and Final Reading. **Councilmember Moore** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilman Frisby moved to accept the Second and Final Reading of **Bill No. 21-38**, and enact the Bill as **Ordinance 4.574**. **Councilmember Moore** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 12. On the Agenda. First Reading Bill No. 21-39 An Ordinance approving the Show Me Courts Agreement with the Office of State Courts Administrator and authorizing the City Manager to execute the Agreement.

Councilmember Spallo moved **Bill No. 21-39** be placed on its First Reading. **Mayor Pro Tem Garnos** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilmember Spallo moved to accept the First Reading of **Bill No. 21-39**, waive the rule, and place the Bill on its Second and Final Reading. **Mayor Pro Tem Garnos** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Mayor Pro Tem Garnos asked why this not a violation of the Hancock Amendment. He thought Jefferson City wasn't supposed to pass things that would require expenditures on a municipal level.

City Attorney Williams answered that it is a requirement that the City convert to the Show Me Courts system. They are not, under the Hancock Amendment, allowed to impose unfunded mandates on the City, but he is not sure that we can choose not to participate. He said he could research it and get a better answer for them.

Mayor Pro Tem Garnos said it seemed like an unfunded mandate, but it is coming from the judiciary branch instead and getting passed on as court costs. He was just curious.

Mayor Mallams explained to those present that this new software allows all municipal courts to operate under a uniform platform, which is certainly an advantage. The costs will be covered with an increase in court costs.

Councilmember Spallo moved to accept the Second and Final Reading of **Bill No. 21-39**, and enact the Bill as **Ordinance 4.575**. **Mayor Pro Tem Garnos** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 13. On the Agenda. **First Reading Bill No. 21-40** An Ordinance amending Chapter 125, Municipal Court, of the Code of Ordinances of the City of Gladstone, Missouri, by adding Section 1.255.380 regarding court costs for Show Me Courts.

Councilmember Moore moved **Bill No. 21-40** be placed on its First Reading. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilmember Moore moved to accept the First Reading of **Bill No. 21-40**, waive the rule, and place the Bill on its Second and Final Reading. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilmember Moore moved to accept the Second and Final Reading of **Bill No. 21-40**, and enact the Bill as **Ordinance 4.576**. **Councilman Frisby** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 14. On the Agenda. **First Reading Bill No. 21-41** An Ordinance authorizing the City of Gladstone, Missouri, to issue its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in a Principal Amount not to exceed \$35,380,000 to finance the costs of a Project for Parkside Investors, LLC, a Missouri Limited Liability Company, consisting of constructing and improving real property; Approving a plan for an Industrial Development Project for the Company; Inviting affected Taxing Districts to submit comments to the City Council no later than December 13, 2021, for fair and due consideration by the City Council; Authorizing certain documents; and Authorizing certain other actions in connection with the issuance of the Bonds.

City Manager Wingerson stated that Rick McConnell, bond counsel, is here this evening, if the City Council has any questions for him.

Rick McConnell, Armstrong, Teasdale Law Firm, addressed the City Council. Mr. McConnell stated that this is the typical type of Chapter 100 transaction that we have seen before in terms of structure where the City will actually take ownership of the project to effect tax abatement. We have a big number in this ordinance, but this is really not a financing vehicle, it is a tax abatement vehicle. It is the vehicle that we have under Missouri Law in non-blighted areas to do tax abatement. The \$35 Million is the developer’s projected project costs; a very high quality project. His compliments to City staff for the negotiations with the developer. He would be happy to answer any questions.

Councilmember Spallo moved **Bill No. 21-41** be placed on its First Reading. Councilmember Moore seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilmember Spallo moved to accept the First Reading of **Bill No. 21-41**, waive the rule, and place the Bill on its Second and Final Reading. **Councilmember Moore** seconded. The Vote:

“aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0). The Clerk read the Bill.

Councilmember Moore stated that it seems like we do this often, but it is really exciting; a \$35 Million project in an area of the City that has not had much development.

Councilmember Spallo said that a project of this magnitude would not be happening if it were not for our City staff and City Manager. Congratulations!

Councilmember Spallo moved to accept the Second and Final Reading of **Bill No. 21-41**, and enact the Bill as **Ordinance 4.577**. **Councilmember Moore** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0)

Item No. 15. On the Agenda. Consider Building Permit: Parkside at Hobby Hill, 7510 North Oak Trafficway.

Mayor Pro Tem Garnos made a motion to approve the **Building Permit** at 7510 North Oak Trafficway; Parkside at Hobby Hill. **Councilmember Moore** seconded. The Vote: “aye”, Councilmember Spallo, Councilman Frisby, Councilmember Moore, Mayor Pro Tem Garnos, and Mayor Mallams. (5-0).

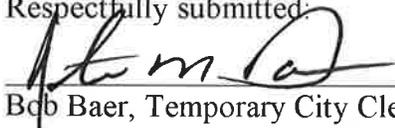
Item No. 16. On the Agenda. Other Business.

Mayor Mallams thanked many in the audience who serve on Boards and Commission for being present this evening.

Item No. 17. On the Agenda. Adjournment.

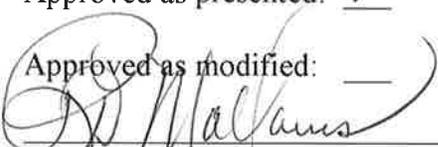
Mayor Mallams adjourned the December 13, 2021, Regular City Council meeting at 8:12 pm.

Respectfully submitted:


Bob Baer, Temporary City Clerk

Approved as presented:

Approved as modified:


Mayor R.D. Mallams

AN ORDINANCE AUTHORIZING THE CITY OF GLADSTONE, MISSOURI, TO ISSUE ITS TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (PARKSIDE INVESTORS PROJECT), SERIES 2021, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$35,380,000 TO FINANCE THE COSTS OF A PROJECT FOR PARKSIDE INVESTORS, LLC, A MISSOURI LIMITED LIABILITY COMPANY, CONSISTING OF CONSTRUCTING AND IMPROVING REAL PROPERTY; APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE COMPANY; INVITING AFFECTED TAXING DISTRICTS TO SUBMIT COMMENTS TO THE CITY COUNCIL NO LATER THAN DECEMBER 13, 2021, FOR FAIR AND DUE CONSIDERATION BY THE CITY COUNCIL; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Gladstone, Missouri (the "City") is a third-class city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, the City is authorized under the provisions of Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) for the purposes set forth in the Act and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, in order for Parkside Investors, LLC, a Missouri limited liability company (together with any successors or assigns, the "Company"), to construct and improve certain real property (collectively, the "Project"), the Council hereby determines and declares the official intent of the City to finance the costs of the Project out of the proceeds of industrial development revenue bonds to be issued under the Act (the "Bonds"); and

WHEREAS, the City has prepared a plan for industrial development with respect to the Project (the "Plan") as required by Section 100.050 of the Act, notice of the Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act, and the City now desires to approve the Plan; and

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the issuance of the Bonds for the purpose described above; and

WHEREAS, because the Bonds will be payable solely out of payments, revenues and receipts derived by the City from the lease of the Project to the Company and from no other source, the City has determined that it is appropriate that the Bonds be sold to the Company pursuant to

Section 108.170 of Revised Statutes of Missouri, as amended, which provides that notwithstanding any other provisions of any law or any charter provision to the contrary, industrial development revenue bonds may be sold at private sale.

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the approval of the Plan and the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

[Ordinance continues on next page]

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

Section 1. Public Purpose. The Council hereby finds and determines that the Project will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

Section 2. Approval of Plan. The Council hereby approves the Plan for Industrial Development Project attached hereto as **Exhibit A** in accordance with Section 100.050 of the Act.

Section 3. Authorization and Sale of the Bonds. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in an aggregate principal amount not to exceed \$35,380,000, for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate (not to exceed 8.00%), shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the herein authorized Trust Indenture upon the execution thereof, and the signatures of the officers of the City executing the Trust Indenture shall constitute conclusive evidence of their approval and the City's approval thereof. The sale of the Bonds to the Company at private sale pursuant to the provisions of Section 108.170 of Revised Statutes of Missouri, as amended, at the interest rate and upon the terms set forth in the Trust Indenture is hereby approved.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the herein authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional provision, statutory limitation or City code provision and shall not constitute a pledge of the full faith and credit of the City. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City to levy any form of taxation therefore or to make any appropriation for their payment.

Section 5. Approval and Authorization of Documents. The following documents (the "City Documents") are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

- (a) Trust Indenture dated as of the date set forth therein (the "Trust Indenture"), between the City and Security Bank of Kansas City, Kansas City, Kansas (the "Trustee"),

pursuant to which the Bonds shall be issued and the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indenture;

(b) Lease Agreement dated as of the date set forth therein (the "Lease Agreement"), between the City and the Company, under which the City will (i) provide funds for the construction and improvement of the Project and (ii) lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds;

(c) Bond Purchase Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the Company agrees to purchase the Bonds; and

(d) Performance Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the City will grant the Company certain rights with respect to the abatement of *ad valorem* real property taxes on the Project in consideration for the Company's agreement to operate the Project as a commercial facility.

Section 6. Execution of Documents. The Mayor or the City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor or the City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action, 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 Bonds and the City Documents.

Section 8. Severability. The sections, paragraphs, sentences, clauses and phrases of this Ordinance shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds the valid portions of the Ordinance are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the City Council has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 9. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 10. Effective Date. This Ordinance shall be approved and shall take effect and be in full force from and after its passage by the City Council and this Ordinance is signed by the Mayor.

[Signature Page Follows]

**INTRODUCED, PASSED, SIGNED, AND MADE EFFECTIVE BY THE COUNCIL OF
THE CITY OF GLADSTONE, MISSOURI, THIS 13th DAY OF DECEMBER, 2021.**



R.D. Mallams, Mayor

(SEAL)

ATTEST:



Becky Jarrett, Deputy City Clerk

First Reading: December 13, 2021

Second Reading: December 13, 2021



Request for Council Action

RES # City Clerk Only

BILL # R-21-41

ORD # 4.577

Date: 12/7/2021

Department: Community Development

Meeting Date Requested: 12/13/2021

Public Hearing: Yes Date:

Subject: Parkside at Hobby Hill – Chapter 100 Bonds

Background:

In July 2021, the City Council approved the Parkside at Hobby Hill Mixed-Use project located approximately at the block of 76th Street to the south and west of North Oak Trafficway.

This 35 million dollar mixed-use project includes the construction of a 216-unit luxury style apartment complex with community amenities including a pool, clubhouse, fitness center, as well as commercial retail and office space adjacent to N. Oak Trafficway. This development offers 87 one bedroom apartments and 129 two bedroom apartments. The commercial aspect of this project is approximately 10,000 square feet and a total of 325 parking spaces will serve the development.

As discussions regarding the development progressed, the Developer requested incentives in which city staff engaged Baker Tilly to perform a rate of return (But-For) analysis to judge the financial feasibility of the project. In summary of that analysis, Baker Tilly determined that the proposed return with abatement provided for a period of 10 years at 100% and 10 years at 50% represents a reasonable rate of return for the project with assistance and would not result in the development being over-incented. The projected internal rate of return is approximately 7.55%.

Mr. Rick McConnell, Partner with Armstrong Teasdale LLP was engaged by city staff to represent the city and develop the Chapter 100 Bond program. Mr. McConnell has worked with the City in the past on projects such as the Heights at Linden Square and the Fairfield Inn & Suites by Marriott.

The various taxing jurisdictions were notified of the planned Taxable Industrial Development Revenue Bonds (Chapter 100 Bonds) and both the Mid-Continent Public Library and North Kansas City School District Board of Education voiced concern and cannot support the Parkside at Hobby Hill project with incentives.

Taking into consideration the concerns of the taxing jurisdictions, city staff re-negotiated with the Developer for a higher Payment In Lieu of Taxes (PILOT), that is approximately three times the original proposed dollar figure as well as a 2% increase year after year through the duration of the tax abatement.

RCA DUE TO CITY CLERK WEDNESDAY 12:00 PM

City leadership understands that Gladstone is 9 square miles and approximately 95% developed. For the city to grow and maintain property values, we must reinvest in ourselves through redevelopment. The extraordinary cost of assembling parcels and the redevelopment process require the incentive for this project to come to fruition. Finally, city leadership is selective in our requests for incentives in that two other projects have recently been denied by city staff that were considered to be too lucrative for the developer or not supportable by the community.

It is city staff's determination that this project is desirable for the economic development of the City and recommend that the City Council proceed with the issuance of the Bonds to support this development.

Budget Discussion: Funds are budgeted in the amount of \$ from the Fund. Ongoing costs are estimated to be \$ 0 annually. Previous years' funding was \$0

Public/Staff Input/Commission:

The various taxing jurisdictions were notified of the planned Taxable Industrial Development Revenue Bonds (Chapter 100 Bonds) and both the Mid-Continent Public Library and North Kansas City School District Board of Education voiced concern and cannot support the Parkside at Hobby Hill project with incentives.

It is city staff's determination that this project is desirable for the economic development of the City and recommend that the City Council proceed with the issuance of the Bonds to support this development.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Austin Greer, Community Development Director

City Attorney

City Manager



***Department of Community Development
Memorandum ASG 21-12***

DATE: December 7, 2021
TO: Scott Wingerson, City Manager
FROM: Austin Greer, Community Development Director & Asst. To The City Manager
SUBJECT: Parkside at Hobby Hill – Chapter 100 Bonds

In July 2021, the City Council approved the Parkside at Hobby Hill Mixed-Use project located approximately at the block of 76th Street to the south and west of North Oak Trafficway.

This 35 million dollar mixed-use project includes the construction of a 216-unit luxury style apartment complex with community amenities including a pool, clubhouse, fitness center, as well as commercial retail and office space adjacent to N. Oak Trafficway. This development offers 87 one bedroom apartments and 129 two bedroom apartments. The commercial aspect of this project is approximately 10,000 square feet and a total of 325 parking spaces will serve the development.

As discussions regarding the development progressed, the Developer requested incentives in which city staff engaged Baker Tilly to perform a rate of return (But-For) analysis to judge the financial feasibility of the project. In summary of that analysis, Baker Tilly determined that the proposed return with abatement provided for a period of 10 years at 100% and 10 years at 50% represents a reasonable rate of return for the project with assistance and would not result in the development being over-incented. The projected internal rate of return is approximately 7.55%.

Mr. Rick McConnell, Partner with Armstrong Teasdale LLP was engaged by city staff to represent the city and develop the Chapter 100 Bond program. Mr. McConnell has worked with the City in the past on projects such as the Heights at Linden Square and the Fairfield Inn & Suites by Marriott.

The various taxing jurisdictions were notified of the planned Taxable Industrial Development Revenue Bonds (Chapter 100 Bonds) and both the Mid-Continent Public Library and North Kansas City School District Board of Education voiced concern and cannot support the Parkside at Hobby Hill project with incentives.

Taking into consideration the concerns of the taxing jurisdictions, city staff re-negotiated with the Developer for a higher Payment In Lieu of Taxes (PILOT), that is approximately three times the original proposed dollar figure as well as a 2% increase year after year through the duration of the tax abatement.

City leadership understands that Gladstone is 9 square miles and approximately 95% developed. For the city to grow and maintain property values, we must reinvest in ourselves through redevelopment. The extraordinary cost of assembling parcels and the redevelopment process require the incentive for this project to come to fruition. Finally, city leadership is selective in our requests for incentives in that two other projects have recently been denied by city staff that were considered to be too lucrative for the developer or not supportable by the community.

It is city staff's determination that this project is desirable for the economic development of the City and recommend that the City Council proceed with the issuance of the Bonds to support this development.

Thank you,

Austin Greer



**MID-CONTINENT
PUBLIC LIBRARY**

November 18, 2021

Scott Wingerson, City Administrator
Gladstone City Hall
7010 N Holmes Street
Gladstone, MO 64118

Mr. Wingerson,

I am in receipt of the Planned Industrial Development documents for the Parkside at Hobby Hill project. As you know, and as we've discussed, Mid-Continent Public Library cannot support this project. Library Board Policy 522 adopted in 2008 states the following.

The Mid-Continent Public Library Board of Trustees, in general, will not support tax diversion or abatement for any development that increased the demand for Library services and may actively oppose such projects including encouraging other taxing jurisdictions to do the same.

Individual developers, who wish, may present their need and situation the Mid-Continent Public Library Board of Trustees, or appropriate subcommittee, for consideration by the full Board.

This policy has generally been interpreted to mean that MCPL will not support residential projects or projects creating residences. The proposal calls for 220 new apartments. Conservatively, this could result in about 300 new residents wanting library service. This could cost \$22,500 annually to provide such service. However, the proposal eliminates the new library revenue needed to provide such service until ten years from now (as the soonest). We cannot hope to provide excellent service for the community without revenue to do so.

MCPL would welcome conversations with the city to search for ways to create win-win situations, like allowing a modest PILOT to pass through in early years. As the project is proposed, however, the library must be in opposition.

Digitally signed by
Steven V. Potter

Location:
Independence, MO

Date: 2021.11.18
16:36:43 -06'00'

Steven V. Potter
Library Director

cc: Mayor R. D. Mallams, Dan Clemons

Access **Your World**

From: Matt Fritz <rmatt.fritz@nkcschools.org>
Date: November 12, 2021 at 3:21:39 PM CST
To: Scott Wingerson <scottw@gladstone.mo.us>
Cc: Paul Harrell <paul.harrell@nkcschools.org>, Daniel Clemens <daniel.clemens@nkcschools.org>
Subject: FW: Your scan (Scan to My Email)

Scott,

I just wanted to let you know that we received the notice regarding the multifamily Chapter 100 project. As I mentioned previously, abatements above 50% and ten years are typically heavily scrutinized by our Board of Education especially when it is for housing. I am forwarding this on to the Board of Education today. I will let you know what I hear back.

I do have a couple questions that I know I will be asked.

Was there a "but for" analysis done?

Is there profitability analysis that the developer prepared to determine that the abatement was needed and at what level?

Has anyone talked to the developer to see if there is another way to structure the abatement and PILOTS?

As I mentioned in my last email, we see about 3/10 of a student per unit which would be over 60 students on the 220 units. Each student costs approximately \$11,000-\$12,000 a year to educate. Our local taxes represent more than 65% of our revenue. That puts the District in the hole at almost \$450 thousand annually for the first 10 years.

Matthew Fritz, MBA, SFO

Chief Financial Officer

(816) 321-4641

Matt.Fritz@nkcschools.org

North Kansas City School District

2000 NE 46th Street

Kansas City, MO 64116

Scott,

In general terms our demographer tells us that we get approximately 3/10 of a student per unit. As far as questions we would have, it's easier to formulate questions once we've seen a financial pro forma of some sort. Also it's helpful to know what type of abatement is contemplated and what the projected terms are of the abatement.

Finally, I know that our board isn't in favor of anything that is more than 50% for ten years just on the face of a deal.

Thanks,

Matt

Matthew Fritz, MBA, SFO

Chief Financial Officer

(816) 321-4641

Matt.Fritz@nkcschools.org

North Kansas City School District

2000 NE 46th Street

Kansas City, MO 64116

MEMORANDUM

TO: Scott Wingerson, City Manager
 Austin Greer, Assistant to the City Manager

FROM: Thomas Denaway, Baker Tilly

DATE: September 1, 2021

SUBJECT: Review of Proposed Hobby Hill Multi-Family Project

Introduction

Baker Tilly Municipal Advisors was retained by the City of Gladstone to review the request for tax abatement related to the proposed Hobby Hill multi-family project. The Developer, Cardinal Crest Commercial, is proposing the development of a two-phase mixed-use development containing two apartment buildings and a commercial building. The developer is seeking tax abatement assistance from the City via the Chapter 100 program. The purpose of this memo is to evaluate the reasonableness of the proposed request and if the project would be unlikely to proceed but for the requested assistance, as well as what would be a reasonable abatement proposal.

The Hobby Hill apartment project is proposed to be located on a group of four parcels located generally near the southwest corner of the intersection 76th Terrace and North Oak Trafficway. The first phase of the project is proposed to include the development of a 129-unit apartment building along with an approximately 14,742 square foot clubhouse building contain a fitness center, club room, an outdoor pool, and outdoor amenities including a living, grilling, and pet areas. The Developer provided a total cost estimate of approximately \$20,100,118 for the acquisition and development of the phase 1 apartment building, clubhouse, and related amenities.

The second phase is proposed to include an additional separate 92-unit apartment building, and a stand along retail building of approximately 10,599 square feet. The total cost estimate for the development of the second phase was \$13,995,152.

Project Cost Assumption

Total Project Costs	Phase 1	Phase 2	Total
Land Acquisition	\$770,000	\$525,000	\$1,295,000
Hard Costs	\$18,187,247	\$12,678,955	\$30,866,202
Soft Costs	\$1,142,871	\$791,198	\$1,934,069
Total Cost	\$20,100,118	\$13,995,152	\$34,095,270

We reviewed the project cost information submitted by the Developer to ensure that the project costs were reasonable and not overstated in a manner to attempt to show a need for assistance.

In reviewing the Developer's cost assumptions, we found them to be reasonable and likely to be incurred. The largest category is the Hard Costs of \$30,866,202, which accounts for 90.5% of the total project costs. The largest individual line-item within this cost category is the building Hard Costs line-item for the two apartment buildings which totals \$23,209,656 for both phases. This equates to a per square foot cost of approximately \$81.39 per square foot. We utilized the Marshall and Swift Swiftestimator to estimate construction costs for an apartment building in the Kansas City metropolitan area. The Swiftestimator provided an average cost estimate of \$82.39, with a range from \$61.63 to \$105.02 depending on construction material type. Based on this the Developer's Building Hard Cost estimate appears reasonable.

For the Soft Cost the Developer provided a mix of individual soft cost line-items related to the development of the site, including line-items for due diligence, design/architecture, permits, legal, working capital and marketing. The largest line-item, comprising the majority of the soft cost category, was for design/architecture services. In total the soft cost category equates to approximately 5.6% of the overall development cost, which is a reasonable percentage. A developer fee was not included within the soft cost line-items provided by the Developer.

Our review found the Developer's assumptions for project costs to be reasonable and likely to be incurred as projected. The Developer's submittal indicates they are seeking a sales-tax exemption on the purchase of construction materials, it is our assumption that the cost estimates provided reflect the costs following the sales-tax exemption.

Tax Abatement Assistance Request

The Developer is requesting assistance in the form of a Chapter 100 tax abatement provided at a rate of 10-years at 100% of the incremental increase in property taxes that would occur without abatement, followed by 15-years at 50% of the increment increase in property taxes. Additionally, the Developer is requesting a sales-tax exemption on the purchase of construction materials.

In order to prepare an estimate of the valuation of the requested property tax abatement, first we needed to estimate what the potential property taxes would be post-development. To estimate the post-development market value of the project we researched existing county appraised values for comparable properties within Clay and Platte County. Based on this review we estimated a post-development appraised value per unit of approximately \$121,000. This market value estimate equates to an appraised market value of approximately 82% of hard construction costs. In order to estimate the market value of the commercial portion of the development we utilized the construction cost for the retail building and applied an appraised value assumption of 82% of construction costs.

In preparing an estimate of the value of the tax abatement, we have assumed that a PILOT payment will be made by the project during the first 10-year period of 100% tax abatement. During this period, we have assumed the project will make a PILOT payment of \$8,435 annually, based on the current property tax amount paid by the four parcels comprising the development site. We have assumed this amount will increase annually at the rate of 1.5%. Following the first 10-years of the abatement period the property tax paid by the project will revert to being based on 50% of the appraised market value of the site.

In order to estimate the value of the requested property tax abatement, we ran a Net Present Value (NPV) calculation of the proposed property tax savings based on varying terms for the tax abatement. The following NPV calculation is based on a 5% interest rate. A Net Present Value calculation is used to illustrate the value of the future property tax abatement savings represented

in today's dollar amount. The chart below illustrates the potential Net Present Value of varying levels of tax abatement.

Tax Abatement Scenario	Net Present Value (5%)
10-Years @ 100% of increase over base amount	\$3,381,884
10-Years @ 100% and 10-Years @ 50% of increase	\$4,476,287
10-Years @ 100% and 15-Years @ 50%	\$4,945,228

Developer Pro Forma

The Developer prepared 10-year operating pro forma for each phase of the development. These pro forma identified their assumptions as it relates to anticipated rental income, vacancy, operating assumptions, and rental income from the commercial property. In reviewing their submittal information we found the assumptions regarding rental rates and operating assumptions to be reasonable. The Developer included a market study within their submittal identifying how they arrived at their proposed rental rates by unit type. We reviewed this market study as well as utilized information from Costar to pull comparable property rental rate information for the Northland area and found the Developer's rental rate assumptions to be inline with current market rates.

We did make an adjustment to the rental rate assumption in regard to the retail building. The Developer's assumption assumed a \$15 per square foot. We found this rental rate to be below current market conditions and adjusted this rate to \$19 per square foot to be more representative of the market. Additionally, we broke out the property tax amount for the retail property separately and modified the pro forma to assume that this property tax amount, or its equivalent with abatement, was being passed on to the tenant on the traditional triple-net basis on which most commercial leases are based. In a triple-net lease, which is the common structure for retail leases, the majority of operating expenses such as property taxes are passed along and paid separately by the tenant. The rate of return analysis identified below is based on our revised assumptions for the retail property.

Part of projecting of the potential rate of return realized by a Developer is the inclusion of a hypothetical sale in the 10th (or final) year of the pro forma. The purpose of this hypothetical sale is to ensure that the value of the created asset is included within the return calculation, so that the return calculation is based on the full lifecycle of a development (construction, operation, and sale). It is not necessarily indicative of the assumption that the Developer is going to sell the property within the 10th year, but is a mathematical construct to ensure that the value of the asset is counted within the return analysis.

The estimate of the sale value of the asset is determined by applying a capitalization rate to the annual net operating income (NOI) of the project in the sale year. The available net operating income divided by the capitalization rate, results in the assumed fair market value of the asset. In preparing our analysis we assumed a capitalization rate of 7.5% and a 3% cost of sale assumption, to calculate the hypothetical sale value.

Internal Rate of Return Analysis

For purposes of this review we calculated the potential Unleveraged Internal Rate of Return realized by the Developer with and without the requested tax abatement. This analysis allows us to illustrate the impact that the requested abatement has on the financial feasibility of the project. An unleveraged IRR calculation is used in order to compare the potential return to the Developer with the PriceWaterhouseCooper (PWC) Real Estate Investor Survey, Second Quarter 2021,

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which provides a market comparison on which project feasibility can be judged. The PWC survey is a national survey of real estate investors seeking to identify the desired rate of return necessary for their investment/acquisition of an existing real estate development. We can use the return threshold identified within this survey as a benchmark against which project feasibility can be measured. If the return without assistance is below the average return identified within the survey, we can conclude that the project would not be considered financially feasible and therefore unlikely to occur without assistance. The PWC Survey identifies a range in the most recent survey of 5.00% to 10.00% with an average of 6.69%. It should be noted that since this is a survey of investors in existing real estate projects it is a conservative benchmark, and represents a lower hurdle rate than might be sought by investors in new construction.

The Table below illustrates our calculations for the potential Unleveraged IRR realized by the Developer without the requested abatement, and with varying levels of abatement assistance.

Unleveraged IRR Analysis	Unleveraged IRR
Without Assistance	5.53%
With 10-Years Abatement at 100%	6.93%
With 10-years Abatement at 100% and 10-years at 50%	7.55%
With 10-years Abatement at 100% and 15-years at 50%	7.74%

Need for Assistance Finding

By calculating the Developer’s anticipated IRR without abatement we are able to determine if the project would be considered feasible without assistance. Using the PWC Survey average of 6.69% as a feasibility threshold, we can see that the Developer’s anticipated rate of return without abatement falls significantly below this conservative benchmark for project feasibility. As such we can conclude that the project would be unlikely to proceed but-for abatement assistance.

In reviewing the projected IRR with varying levels of abatement we can calculate how the abatement assistance changes the anticipated IRR to a more feasible level. In reviewing the IRR with abatement we feel the proposed return with abatement provided for a period of 10-years at 100% and 10-years at 50% represents a reasonable rate of return for the project with assistance and would not result in the project being over-incented.



Request for Council Action

RES # *(City Clerk Only)*

BILL # *(City Clerk Only)*

ORD # *(City Clerk Only)*

Date: 11/23/21

Department: Community Development

Meeting Date Requested: 12/13/21

Public Hearing: Yes Date: [Click here to enter a date.](#)

Subject: Approval of Building Permit

Background: The proposed project consists of five separate buildings each with four floors that will contain 216-unit luxury style apartments; including a swimming pool, clubhouse, fitness center, as well as commercial retail/office space adjacent to N Oak Trafficway. The development will offer 87 one-bedroom apartments and 129 two-bedroom apartments. The commercial aspect of the project is 9,000 square feet.

This project is primarily based on submitted plans from Anderson Engineering, ACI Boland Architects and Cardinal Crest Development; but is also a design build project and will have ongoing plan submittals. City Staff, Anderson Engineering, ACI Boland Architects and Cardinal Crest Development will be working together to review plans for compliance with construction codes and ordinances of the City.

Budget Discussion: Funds are budgeted in the amount of \$ 0.00 from the N/A Fund. Ongoing costs are estimated to be \$ 0.00 annually. Previous years' funding was \$0.00

Public/Board/Staff Input: See attached Building Permit Staff Report and accompanying plans.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Alan D. Napoli, C.B.O.
Community Development Administrator | Building Official

RCA DUE TO CITY CLERK WEDNESDAY 12:00 PM

BUILDING PERMIT STAFF REPORT



CITY OF GLADSTONE
Community Development Department
7010 N. Holmes Street
Gladstone, Missouri 64118
Tel. (816) 436-2200 Fax (816) 436-2228



TO: CITY COUNCIL
FROM: COMMUNITY DEVELOPMENT
DATE: NOVEMBER 23, 2021
PERMIT NO.: BP21-00421

GENERAL INFORMATION

BUSINESS/PROPERTY NAME: Parkside at Hobby Hill
APPLICANT: Anderson Engineering, Inc.
STATUS OF APPLICANT: Engineer of Record
OWNER: Cardinal Crest Development
REQUESTED ACTION: Approval of Building Permit
PURPOSE: Construction of a Multi-Building Apartment
Neighborhood
LOCATION: 7510 N Oak Trafficway
SIZE: 192,000 sq. ft.

ZONING INFORMATION

EXISTING LAND USE: MXD
SURROUNDING LAND USE-N: CP-1 & R-1
E: C-1, CP-1 & C-3
W: R-1
S: CP-3 & R-1
COMPREHENSIVE PLAN: Mixed Use Community
ZONING HISTORY: Rezoned MXD 2021

APPLICABLE REGULATIONS

2018 IBC, 2018 IEBC, 2017 NEC, 2018 IFC, 2018 IECC, 2018 IFGC, 2018 IMC, 2018 IPC, 2018 ISPSC AND 2017 ICC A117.1

ADDITIONAL COMMENTS

No Additional Comments

PRELIMINARY.
NOT FOR
CONSTRUCTION,
REVISIONS
RESPONDING
IMPLEMENTATION



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LANDSCAPE
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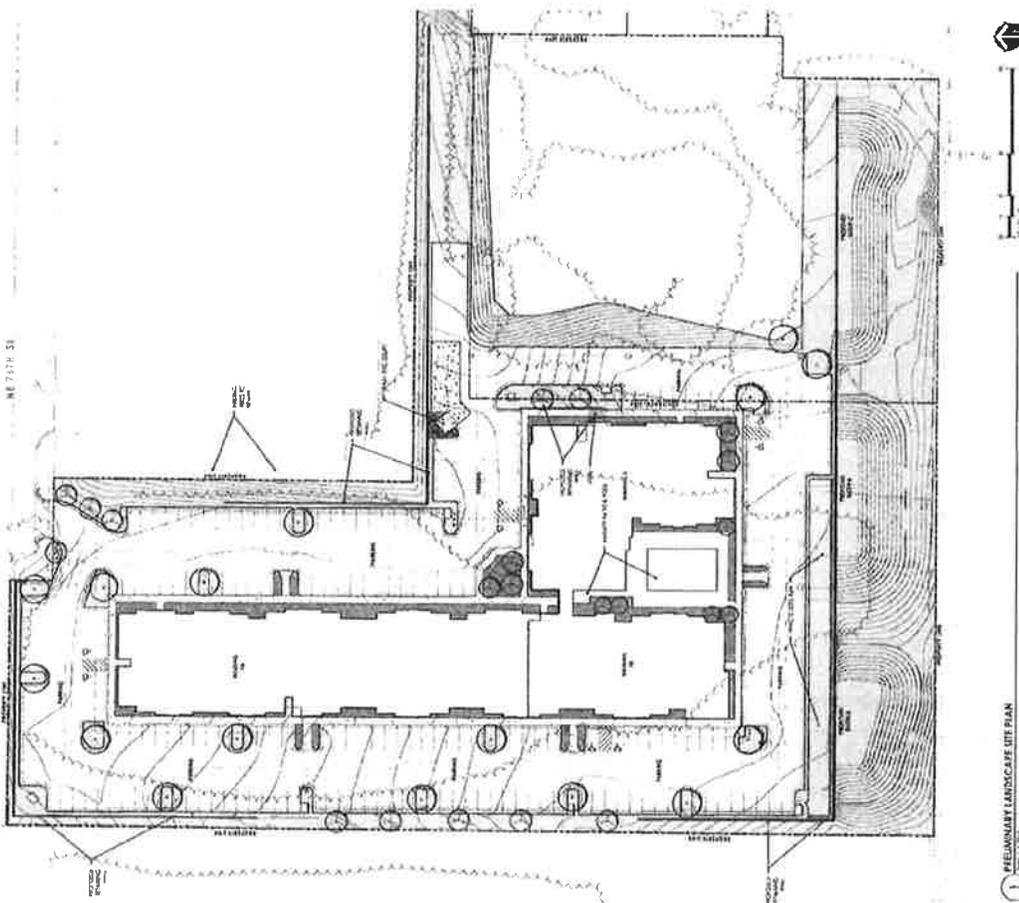
HOBBY HILL MULTIFAMILY COMPLEX
 GLADSTONE, MISSOURI

DATE: 08/21/2014
 DRAWN BY: J. B. BROWN
 CHECKED BY: J. B. BROWN
 SCALE: 1/8" = 1'-0"

1100
 PRELIMINARY LANDSCAPE SITE PLAN

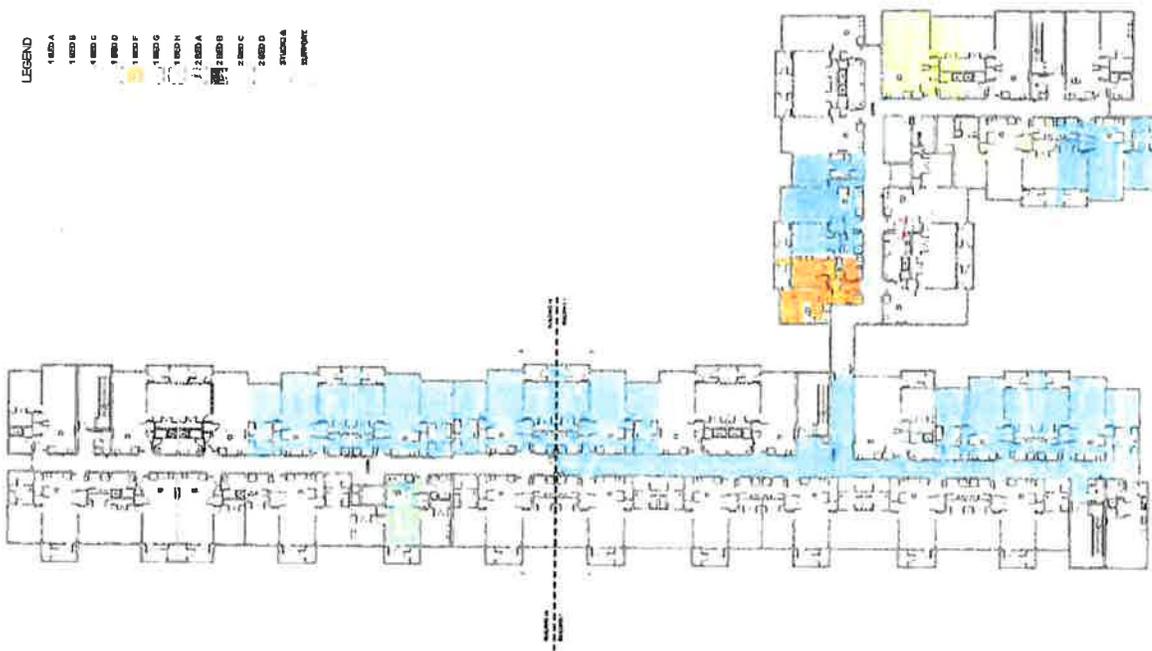
CONCEPTUAL TREE SCHEDULE

ID	DESCRIPTION	PLANT	SIZE	PLACEMENT
1	Small Tree	Red Maple	12" DBH	Perimeter
2	Medium Tree	White Oak	18" DBH	Interior
3	Large Tree	Live Oak	24" DBH	Perimeter
4	Shrub	Hydrangea	6" DBH	Perimeter
5	Shrub	Boxwood	4" DBH	Perimeter
6	Shrub	Yucca	3" DBH	Perimeter
7	Shrub	Juniper	2" DBH	Perimeter
8	Shrub	Spirea	2" DBH	Perimeter
9	Shrub	Forsythia	2" DBH	Perimeter
10	Shrub	Philadelphus	2" DBH	Perimeter
11	Shrub	Abutilon	2" DBH	Perimeter
12	Shrub	Hamamelis	2" DBH	Perimeter
13	Shrub	Amelanchier	2" DBH	Perimeter
14	Shrub	Prunella	2" DBH	Perimeter
15	Shrub	Deutzia	2" DBH	Perimeter
16	Shrub	Philadelphus	2" DBH	Perimeter
17	Shrub	Abutilon	2" DBH	Perimeter
18	Shrub	Hamamelis	2" DBH	Perimeter
19	Shrub	Amelanchier	2" DBH	Perimeter
20	Shrub	Prunella	2" DBH	Perimeter
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22	Shrub	Philadelphus	2" DBH	Perimeter
23	Shrub	Abutilon	2" DBH	Perimeter
24	Shrub	Hamamelis	2" DBH	Perimeter
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26	Shrub	Prunella	2" DBH	Perimeter
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47	Shrub	Abutilon	2" DBH	Perimeter
48	Shrub	Hamamelis	2" DBH	Perimeter
49	Shrub	Amelanchier	2" DBH	Perimeter
50	Shrub	Prunella	2" DBH	Perimeter



1 PRELIMINARY LANDSCAPE SITE PLAN

- LEGEND
- 1.000A
 - 1.000B
 - 1.000C
 - 1.000D
 - 1.000E
 - 1.000G
 - 1.000H
 - 2.000A
 - 2.000B
 - 2.000C
 - 2.000D
 - STUDIO A
 - SUPPORT

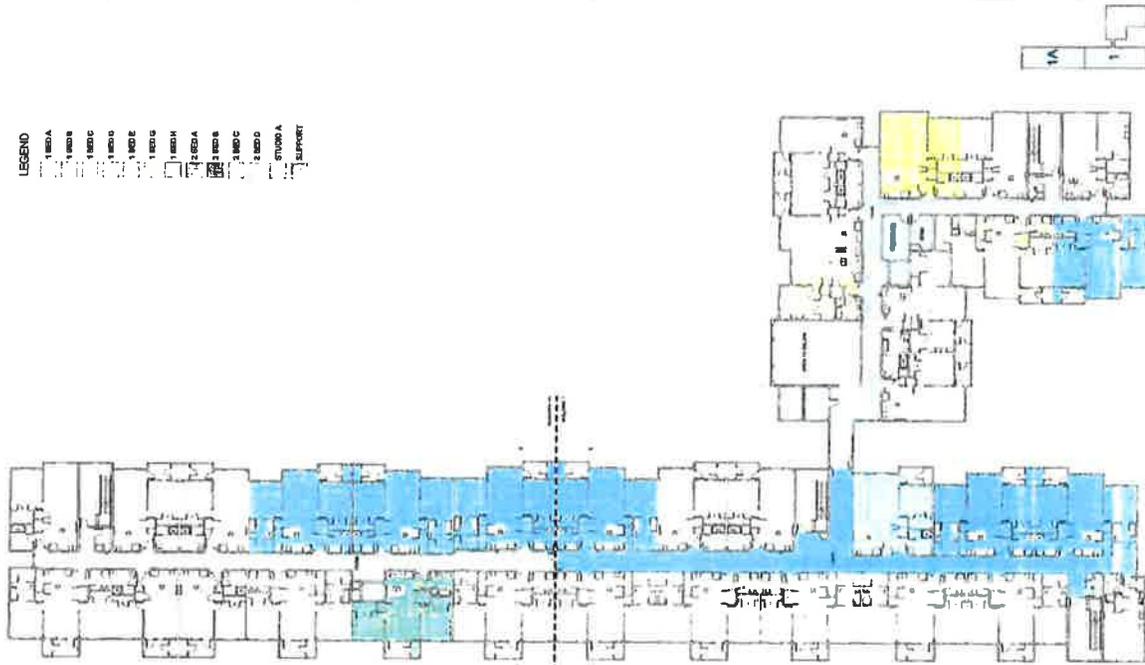


A4 5/20/14 DISCIPLINE LIMITS



A1 5/20/14 DISCIPLINE LIMITS

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 - 1.000B
 - 1.000C
 - 1.000D
 - 1.000E
 - 1.000G
 - 1.000H
 - 2.000A
 - 2.000B
 - 2.000C
 - 2.000D
 - STUDIO A
 - SUPPORT



REV PLAN



A2.0.2

10/11/14 10:00:00

PARKSIDE AT HOBBY HILL GLADSTONE, MISSOURI

REV	DATE	DESCRIPTION
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10/11/14 10:00:00
NOT FOR
CONSTRUCTION
RECORDING
OR
PERMITS
MPL EASTSTATION
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www.acibolland.com

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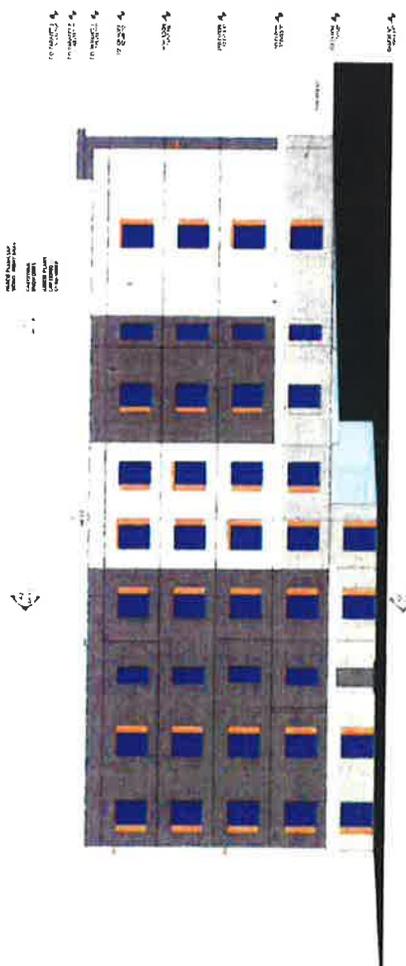
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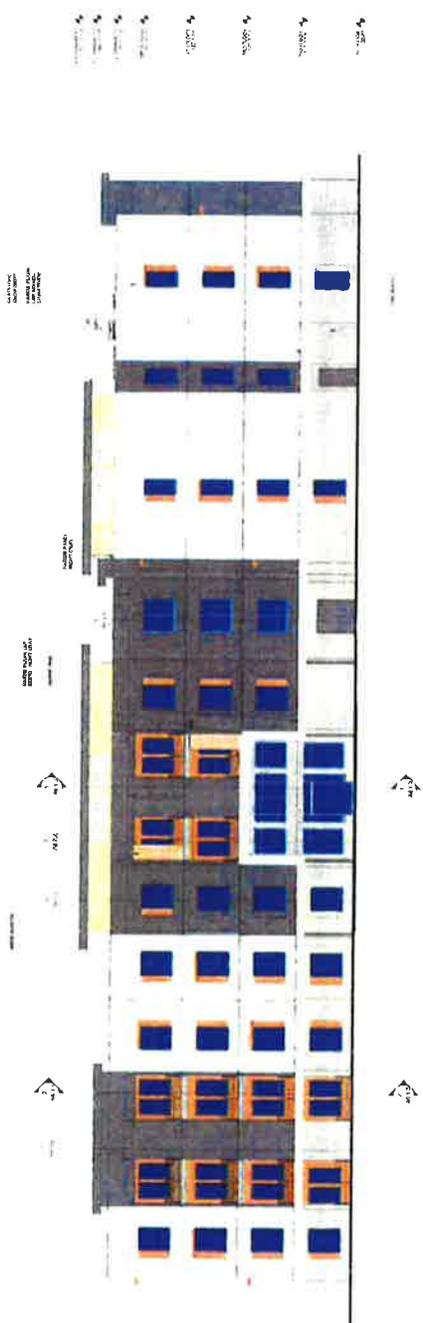
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C-1 EAST ELEVATION - BUILDING 1



A-1 NORTH ELEVATION - BUILDING 1 & 1A

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PARKSIDE AT HOBBY HILL
 GLADSTONE, MISSOURI

DATE: 10/22/2024
TIME: 4:30:36 PM
USER: [Name]
PROJECT: [Name]

AS.1.1
 SHEET TITLE

PREPARED FOR
 CONSTRUCTION
 RECORDING
 PURPOSES OR
 IMPLEMENTATION
 10/22/2021 4:32:57 PM



ARCHITECT
 PROJECT NO. 2019-001
 1720 BENTLEY BLVD, SUITE 100
 ST. LOUIS, MO 63103

STRUCTURAL CONSULTANT
 1720 BENTLEY BLVD, SUITE 100
 ST. LOUIS, MO 63103

MEP CONSULTANT
 1720 BENTLEY BLVD, SUITE 100
 ST. LOUIS, MO 63103

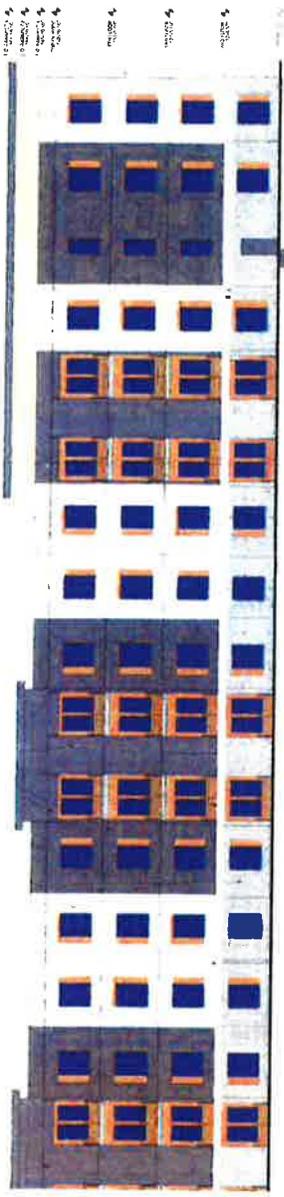
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 1720 BENTLEY BLVD, SUITE 100
 ST. LOUIS, MO 63103

GENERAL CONTRACTOR
 1720 BENTLEY BLVD, SUITE 100
 ST. LOUIS, MO 63103

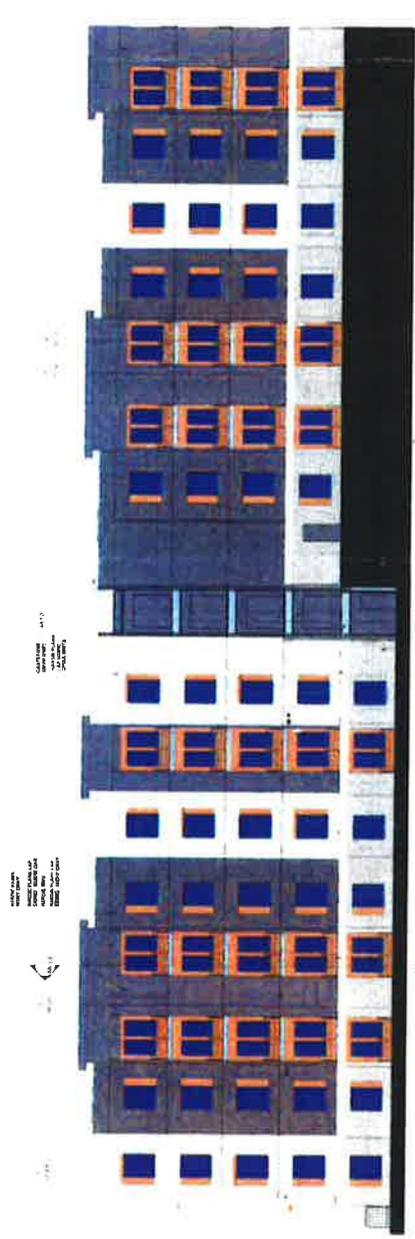
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 GLADSTONE, MISSOURI

SHEET NO. A5.1.3
 DATE 10/22/2021

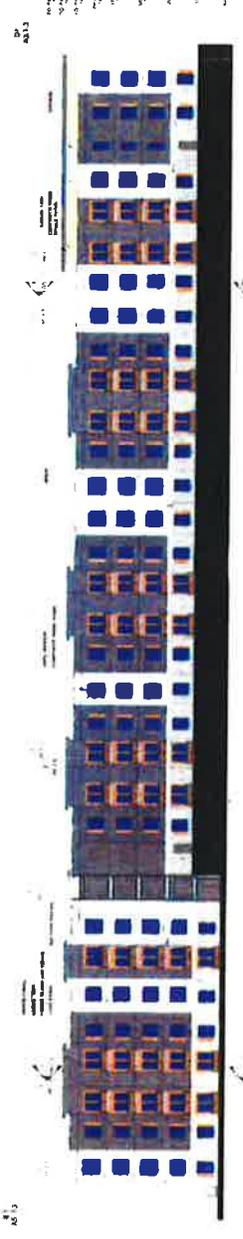
A5.1.3
 EAST ELEVATION



D1 EAST ELEVATION - BUILDING 1A



B1 EAST ELEVATION - BUILDING 1 COURTYARD



A1 EAST ELEVATION - BUILDING 1 A 1A

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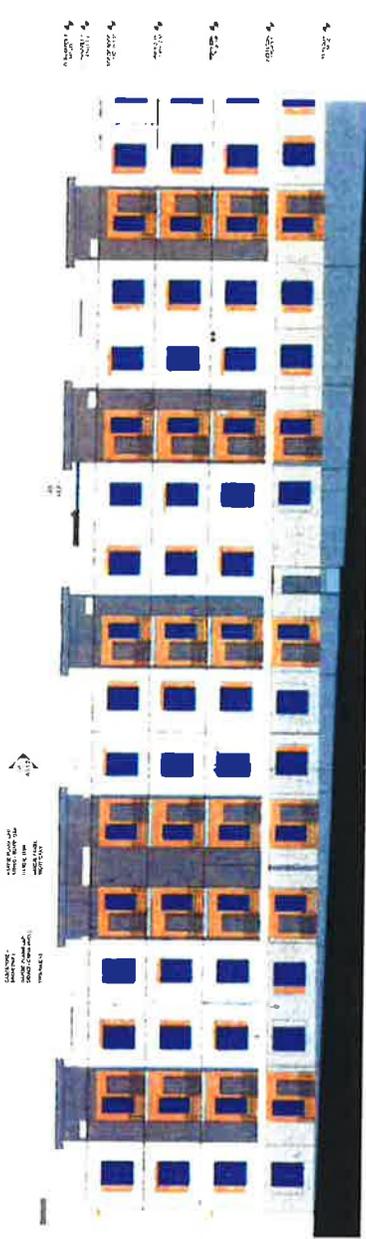
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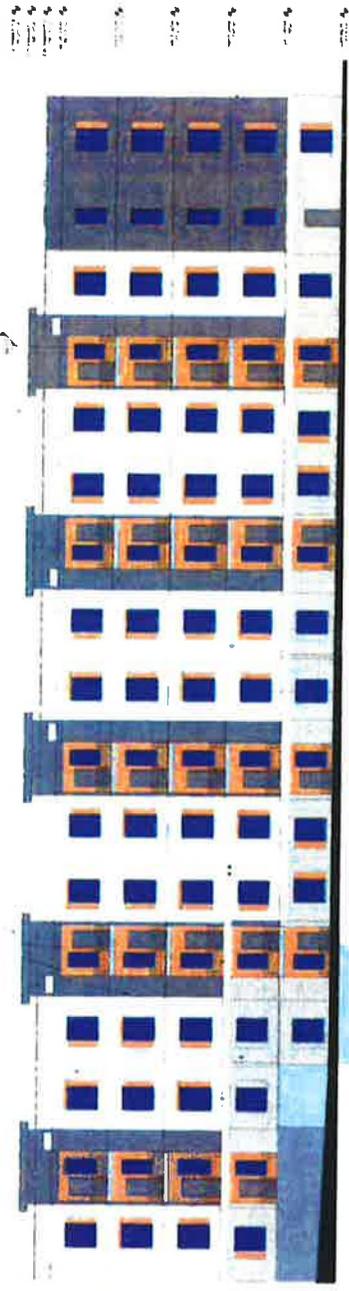
PARKSIDE AT HOBBY HILL
GLADSTONE, MISSOURI

A5.1.4
GENERAL ELEVATION



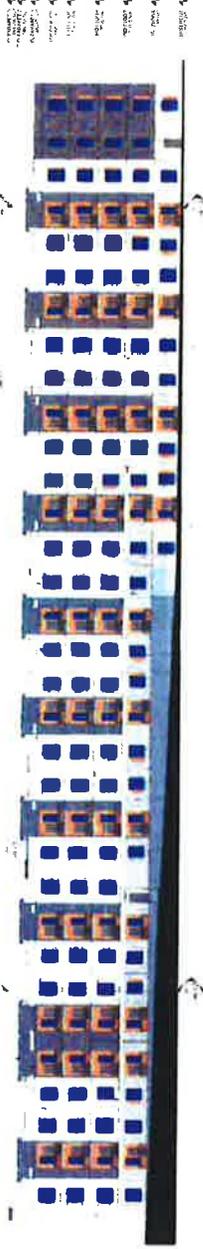
D1 WEST ELEVATION - BUILDING 1A
1/8" = 1'-0"

EXTERIOR WALL FINISH: WHITE GRABER
EXTERIOR WINDOW FINISH: WHITE GRABER
EXTERIOR DOOR FINISH: WHITE GRABER
EXTERIOR ROOF FINISH: WHITE GRABER



B1 WEST ELEVATION - BUILDING 1A
1/8" = 1'-0"

EXTERIOR WALL FINISH: WHITE GRABER
EXTERIOR WINDOW FINISH: WHITE GRABER
EXTERIOR DOOR FINISH: WHITE GRABER
EXTERIOR ROOF FINISH: WHITE GRABER

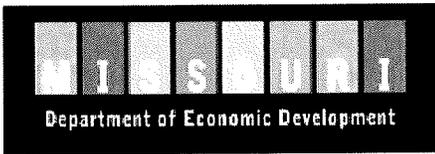


A1 OVERALL WEST ELEVATION - BUILDING 1A
1/8" = 1'-0"

EXTERIOR WALL FINISH: WHITE GRABER
EXTERIOR WINDOW FINISH: WHITE GRABER
EXTERIOR DOOR FINISH: WHITE GRABER
EXTERIOR ROOF FINISH: WHITE GRABER



PARKSIDE AT HOBBY HILL | GLADSTONE, MISSOURI
EXTERIOR MATERIALS



CALENDAR YEAR **2021**

ANNUAL ACTIVITY REPORT FOR MUNICIPALITIES

Pursuant to Section 100.105 RSMo, a municipality is required to file the following report with the Department of Economic Development on the previous year's revenue bond issuances and general obligation bond issuances. The report must be filed no later than January 31st of the year following the issuance.

COMPLETE ONE FORM FOR EACH BOND ISSUE (PLEASE TYPE OR PRINT)

PART I - MUNICIPALITY

1. NAME OF MUNICIPALITY City of Gladstone, Missouri			
8. STREET ADDRESS 7010 North Holmes	P. O. BOX	CITY OR TOWN Gladstone	ZIP CODE 64118
2. NAME OF MUNICIPALITY SPOKESPERSON Scott Wingerson		TITLE City Manager	TELEPHONE (816) 436-8800

PART II - CHARACTERISTICS OF BUSINESS FOR WHICH BONDS WERE ISSUED

1. PROJECT ALLOCATION NUMBER (IF APPLICABLE) N/A		2. NAME OF BENEFICIARY FIRM FOR WHICH BONDS WERE ISSUED Parkside Investors, LLC	
3. BENEFICIARY FIRM STREET ADDRESS 1539 Swift Street	P. O. BOX	CITY OR TOWN North Kansas City	ZIP CODE 64116
4. AGE OF BUSINESS OF BENEFICIARY FIRM (NO. OF YRS.)	5. TYPE OF BUSINESS OF BENEFICIARY FIRM (SIC OR NAICS #)		
6. ASSETS OF BENEFICIARY FIRM (ALL LOCATIONS, WHEREVER LOCATED)			
7. PREVIOUS YEAR'S SALES OF BUSINESS FOR WHICH BONDS WERE ISSUED (ALL LOCATIONS, WHEREVER LOCATED)			
8. TOTAL NO. OF EMPLOYEES OF BUSINESS FOR WHICH BONDS WERE ISSUED (ALL LOCATIONS, WHEREVER LOCATED)			9. U.S. CONGRESSIONAL DISTRICT PROJECT IS LOCATED IN

PART III - CHARACTERISTICS OF BOND ISSUE

1. TOTAL AMOUNT OF THE BONDS ISSUED \$35,380,000.00		2. DATE OF ISSUANCE December, 2021	
3. INTEREST RATE(S) OF BONDS (ATTACH MATURITY SCHEDULE, IF NECESSARY) 6.0%		4. TERM OF BOND ISSUE (E.G., PRINCIPAL AMORTIZATION PERIOD) December 1, 2042	
5. NAME AND ADDRESS OF UNDERWRITER(S), IF ANY N/A			
6. NAME AND ADDRESS OF GUARANTOR(S), IF ANY N/A			
7. ESTIMATED NUMBER OF NEW JOBS TO BE GENERATED BY THE PROPOSED PROJECT INITIALLY		ULTIMATELY	
8. TOTAL ESTIMATED COST OF THE PROPOSED PROJECT		10. TYPE OF PROJECT (CHECK ONE) <input checked="" type="checkbox"/> NEW BUSINESS <input type="checkbox"/> ESTABLISHMENT OF BRANCH/PLANT BUSINESS <input type="checkbox"/> ACQUISITION OF EXISTING BUSINESS <input type="checkbox"/> EXPANSION OF EXISTING BUSINESS <input type="checkbox"/> REFINANCING OF EXISTING BUSINESS	
9. DISPOSITION OF BOND PROCEEDS (ESTIMATED)			
A) LAND			
B) BUILDINGS			
C) MACHINERY & EQUIPMENT			
D) ISSUANCE EXPENSES			
E) OTHER			

PART IV - SUBMISSIONS

1. Attach a copy of the guaranty instrument, if any.	
2. Attach a copy of the preliminary official statement, if any, used when offering the bonds for sale.	
SIGNATURE OF MUNICIPALITY SPOKESPERSON 	RETURN NO LATER THAN JANUARY 31 TO: Missouri Department of Economic Development Attn: Development Finance Team 301 West High Street, Room 770 P.O. Box 118 Jefferson City, MO 65102
DATE 12/15/2021	

COMPANY'S CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am a duly qualified and acting officer of Parkside Investors, LLC, a Missouri limited liability company (the "Company"), and as such I am familiar with the books and records of the Company. In connection with the issuance by the City of Gladstone Missouri (the "City") of its Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in the maximum principal amount of \$35,380,000 (the "Bonds"), under a Trust Indenture, dated as of December 1, 2021, between the City and Security Bank of Kansas City, as trustee (the "Indenture"), I hereby further certify as follows:

1. ORGANIZATION AND AUTHORITY

1.1. Due Organization. The Company is a limited liability company validly existing and in good standing under the laws of the State of Missouri. Attached hereto as **Exhibit A** is Certificate of Good Standing for the Company from the Secretary of State of Missouri, which is in full force and effect as of the date hereof.

1.2. Organizational Documents. The copies of the Articles of Organization and Operating Agreement of the Company attached hereto as **Exhibit B** and **Exhibit C**, respectively, are true, complete and correct copies thereof, and said Articles of Organization and Operating Agreement have not been amended and are in full force and effect as of the date hereof.

1.3. Incumbency of Officers; Authorized Company Representative. The persons named below were on the date or dates of the execution of the documents listed in **Section 2.2** below, and are on this date, the duly appointed or elected, qualified and acting officers of the Company, holding the offices set opposite their names. The Company hereby appoints the individuals named below as an Authorized Company Representative as defined in the Indenture:

<u>Name</u>	<u>Title</u>
Joe Christensen	Member Manager

2. BOND TRANSCRIPTS AND LEGAL DOCUMENTS

2.1. Transcript of Proceedings. The Transcript furnished to the Company and on file in the official records of the City includes a true and correct copy of the proceedings had by the Company and other records, proceedings and documents relating to the issuance of the Bonds; said Transcript is, to the best of my knowledge, information and belief, full and complete; such proceedings of the Company shown in said Transcript have not been modified, amended or repealed and are in full force and effect as of the date hereof.

2.2. Execution of Documents. The following documents (collectively, the "Company Documents") have been executed and delivered in the name and on behalf of the Company by the person identified in **Section 1.3** above, pursuant to and in full compliance with resolutions adopted by the governing body of the Company, which resolutions have not been amended, altered or repealed and are in full force and effect as of the date hereof; the copies of said documents contained in the Transcript are true, complete and correct copies or counterparts of said documents as executed and delivered by the Company; and said documents have not been amended, modified or rescinded and are in full force and effect as of the date hereof:

- (a) Bond Purchase Agreement dated as of December 1, 2021 (the “Bond Purchase Agreement”), between the City and the Company;
- (b) Lease Agreement dated as of December 1, 2021 (the "Lease Agreement"), between the City and the Company;
- (c) Performance Agreement dated as of December 1, 2021 (the “Performance Agreement”), between the City and the Company; and
- (d) Special Warranty Deed dated as of December 1, 2021, from the Company to the City.

2.3. Representations. Each of the representations of the Company set forth in the Company Documents are true and correct in all material respects as of the date hereof, as if made on the date hereof, and all covenants and conditions to be complied with and obligations to be performed by the Company under the Company Documents have been complied with and performed.

2.4. Non-Litigation. There is no controversy, suit or other proceeding of any kind pending against the Company, or, to the knowledge of the undersigned, threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the Company, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the Transcript evidencing the authorization and issuance of the Bonds, or the constitutionality or validity of the obligations represented by the Bonds and the Company Documents, or the validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof or the execution and delivery of any of the documents related thereto.

3. THE PROJECT

3.1. Description and Location of Project. The proceeds of the Bonds are to be used by the City to finance an economic development project for the Company, consisting of the complete renovation of the apartment complex commonly known as “Parkside,” including other significant improvements as further described in the Indenture.

4. LEGAL COUNSEL

4.1. Legal Counsel. We have been counseled by the Company’s legal counsel as to the purpose of the foregoing certifications and the meanings of the matters set forth in the foregoing certifications. We understand that such certifications will be relied upon by the City in the issuance of the Bonds and by the law firm of Armstrong Teasdale LLP in rendering its opinion as to validity of the issuance of the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of December, 2021.

PARKSIDE INVESTORS, LLC

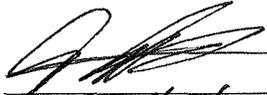
By: 
Name: Joe Christensen
Title: Member Manager

EXHIBIT A

MISSOURI CERTIFICATE OF GOOD STANDING

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, JOHN R. ASHCROFT, Secretary of State of the STATE OF MISSOURI, do hereby certify that the records in my office and in my care and custody reveal that

Parkside Investors, LLC
LC014330113

was created under the laws of this State on the 21st day of October, 2021, and is active, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 16th day of December, 2021.


Secretary of State



Certification Number: CERT-12162021-0125

EXHIBIT B

ARTICLES OF ORGANIZATION



State of Missouri
John R. Ashcroft, Secretary of State
 Corporations Division
 PO Box 778 / 600 W. Main St., Rm. 322
 Jefferson City, MO 65102

LC014330113
Date Filed: 10/21/2021
John R. Ashcroft
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of \$105.00)

1. The name of the limited liability company is
Parkside Investors, LLC

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

The purposes for which the limited liability company is organized are the transaction of any or all lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act.

3. The name and address of the limited liability company's registered agent in Missouri is:

<u>Isaac Freestone</u>	<u>2 South Main Street</u>	<u>Liberty, MO 64068</u>
<i>Name</i>	<i>Street Address: May not use PO Box unless street address also provided</i>	<i>City/State/Zip</i>

4. The management of the limited liability company is vested in: managers members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address):*

(Organizer(s) are not required to be member(s), manager(s) or owner(s))

<i>Name</i>	<i>Address</i>	<i>City/State/Zip</i>
<u>Freestone, Isaac</u>	<u>2 S Main St</u>	<u>Liberty MO 64068-2323</u>

7. Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:
Name: <u>Kathryn Brinser</u>
Address: <u>Email: kbrinser@withersbrant.com</u>
City, State, and Zip Code: _____

8. Principal Office Address (OPTIONAL) of the limited liability company (PO Box may only be used in addition to a physical street address):

1539 Swift Ave

North Kansas City, MO 64116-3810

Address (PO Box may only be used in conjunction with a physical street address)

City/State/Zip

9. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Isaac Freestone

ISAAC FREESTONE

10/21/2021

Organizer Signature

Printed Name

Date of Signature

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

Parkside Investors, LLC
LC014330113

filed its Articles of Organization with this office on the 21st day of October, 2021, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 21st day of October, 2021, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this 21st day of October, 2021.


Secretary of State



EXHIBIT C
OPERATING AGREEMENT

**OPERATING AGREEMENT
OF PARKSIDE INVESTORS, LLC,
a Missouri limited liability company**

THIS OPERATING AGREEMENT (hereinafter "**Agreement**"), of Parkside Investors, LLC, a Missouri limited liability company (hereinafter the "**Limited Liability Company**"), is made and entered into by and among the Limited Liability Company, and its Members, including, Cardinal Crest Development, LLC, a Missouri limited liability company (hereinafter "**Cardinal Crest**"), and the additional Members identified and set forth on **Schedule A** attached hereto (Cardinal Crest and the additional Members set forth on **Schedule A** are hereinafter referred to individually as a "**Member**" and collectively as "**Members**").

ARTICLE I. ORGANIZATION

Section 1.1. **Association**. The Members hereby associate themselves as members in a limited liability company formed under and pursuant to the Missouri Limited Liability Company Act (the "**Act**").

Section 1.2. **Name**. The business and affairs of the Limited Liability Company shall be conducted solely under the name of "**Parkside Investors, LLC**" and such name shall be used at all times in connection with the business and affairs of the Limited Liability Company.

Section 1.3. **Term**. The term of the Limited Liability Company shall be perpetual, unless sooner terminated as hereinafter provided.

Section 1.4. **Character of Business**. The business of the Limited Liability Company shall be the ownership, development, sale, rental, lease, exchange and/or operation of the Business Property (as hereinafter defined, including the operation and management of any development constructed thereon, and for any and such other lawful purposes as may be permitted by the Act.

Section 1.5. **Scope of Member's Authority**. Except as otherwise expressly and specifically provided in this Agreement, no Member shall have any authority to act for, or assume any obligations or responsibility on behalf of, any other Member or the Limited Liability Company.

Section 1.6. **Principal Place of Business**. The principal place of business of the Limited Liability Company shall be located at 1539 Swift, North Kansas City, Missouri 64116, or such other location(s) as is hereinafter determined by the Manager.

Section 1.7. **Annual Meeting**. An annual meeting of the Members may be held on the 15th day of January of each fiscal year, or if that day be a legal holiday, on the next succeeding day not a legal holiday, at which they shall transact such business as may properly be brought before the meeting. Special meetings may be called by either the Manager or by Members who own 51% or more of the Common Interests at any time, but only in accordance with the provisions of the Act.

Section 1.8. **Certain Definitions.** As used herein, the following terms have the following meanings:

(A) "Agreement" means this Operating Agreement, as amended, modified, or supplemented from time to time.

(B) "Bankruptcy" of a Member means that a Member (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in Bankruptcy; (iii) is adjudged a bankrupt or insolvent, or has entered against the Member an order for relief, in any Bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking for the Member's own self any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding of this nature; or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member's properties.

(C) "Business Property" means all property, assets and interests now or hereafter owned or held by the Limited Liability Company and is initially intended to include the proposed phased project(s) identified or referenced in Schedule B attached hereto.

(D) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(E) "Common Unit" or "Common Interest" means for each Member the percentage of common ownership in the Limited Liability Company set forth opposite such Member's name (together with accompanying stated Income Sharing Percentage) in Schedule A attached hereto. The Common Units have been issued by the Limited Liability Company for the aggregate par or stated sum of \$10.00 received or deemed received as agreed value consideration from the Members in proportion to their Income Sharing Percentages as set forth in Schedule A attached hereto and, in the books, and records of the Limited Liability Company. Each Member hereby represents and warrants to the Limited Liability Company, the Manager and to each other Member that (i) the Member is acquiring its Common Unit or Common Interest herein for such Member's own account as an investment and without an intent to distribute such Common Unit or Common Interest; and (ii) the Member acknowledges that its Common Unit or Common Interest has not been registered under the Securities Act of 1933 or any state securities law, and such Member's Common Unit or Common Interest may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirement and in compliance with the provisions of this Agreement.

(F) A Member's "Interest" in the Limited Liability Company means a Member's share of the profits and losses of the Limited Liability Company as set forth in this Agreement and includes a Member's Common Interest in the Limited Liability Company and the right to receive distributions of the assets of the Limited Liability Company as set forth in this Agreement, together

with the duties and obligations of such Member to comply with the terms and provisions of this Agreement.

(G) "Manager" means, initially, Cardinal Crest Development, LLC, and thereafter as elected by the Members pursuant to Section 6.1.

(H) "Member" means each original party to this Agreement and its respective permitted successors and assigns as Members hereunder.

(I) "Net Cash Flow" for the applicable period means the gross receipts of the Limited Liability Company during such period (including capital funds and loan proceeds) plus any reductions in funded "Reserves" (defined below) arising out of the reversal of such reserves, less the following (1) all cash expenditures made by the Limited Liability Company or which the Limited Liability Company is obligated to make in the operation of the business for or during such period, (2) all installments and payments of principal and interest and other sums and amounts paid or payable for or during the applicable or pertinent period on or in connection with secured or unsecured indebtedness of the Limited Liability Company, (3) cash expenditures for capital improvements and other capital items paid during such period, and (4) reasonable reserves (the "Reserves") in amounts determined by the Manager for imminent future costs, expenses and payments or for substantial costs or expenditures that are not likely to be covered out of future Net Cash Flow.

(J) "Limited Liability Company" means Parkside Investors, LLC, a Missouri limited liability company.

Section 1.9. **Additional Definitions.** The definitions in Section 1.8 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term "person" includes individuals, partnerships, corporations, limited liability companies, trusts and other associations. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "herein", "hereof", "hereunder" and similar terms shall refer to this Agreement, unless the context otherwise requires.

ARTICLE II. CAPITAL, LOANS AND CONTRIBUTIONS.

Section 2.1. **Initial Capital Contributions.** Capital contributions have been made to the Limited Liability Company by the Members for cash and other agreed valuable consideration as set forth in Schedule A attached hereto and in the books and records of the Limited Liability Company.

Section 2.2. Additional Capital Contributions.

(A) Certain Members identified in Schedule A attached hereto have agreed, and by their execution of this Agreement hereby agree, to contribute further cash as capital for the Limited Liability Company in the respective amounts set forth opposite such Members names in Schedule

A attached hereto. Such additional cash contributions shall be made by such Members to the Limited Liability Company as requested by the Manager.

(B) In addition to the initial capital contributions and the agreed additional cash capital contributions set forth in subparagraph (A) of this Section 2.2. above, if the Manager subsequently determines that the Limited Liability Company requires or is need of additional capital contributions for any Limited Liability Company purpose, then the Members agree that the Manager, in its sole and absolute discretion, shall have the right and power on behalf of the Limited Liability Company, without further Member action, to raise additional capital for the Limited Liability Company through the issuance of additional Interests (and corresponding Units) or through the issuance of a new Class of Interests (and corresponding new class of Units) from existing or new Members. Such issuance of additional Interests (and Units) and the admission of new Members shall be on such terms and conditions as the Manager shall, in its sole and absolute discretion, deem appropriate. The amount credited to capital account(s) with respect to such additional capital contributions, and the Income Sharing Percentage allocated to such Member as a result thereof, shall be determined by the Manager, which determination shall be consistent with the purposes of this Agreement. This Agreement, including Articles III and IV, shall be amended consistent with the terms and conditions with respect to any additional Interests or Class of Interests created hereunder. The Manager does not need the approval or agreement of the Members (or any one or more of them) with respect to any additional capital contributions hereunder, the issuance of additional Interests or new Class(es) of Interests hereunder or the issuance of additional Common Units or new classes of Units as a result, the admission of a new Member hereunder, or any amendment to this Agreement that might, as a result of the foregoing, be required. Upon admission of a new Member or the issuance of additional Interests or Units hereunder, this Agreement, including Schedule A, shall be amended by the Manager accordingly.

(C) If the Manager determines to raise additional capital contributions in accordance with the provisions of subparagraph (B) of this Section 2.2. above, the Manager shall first provide each Member notice of the amount of additional capital contributions sought and the proposed terms and conditions of the Interests (and/or Units) to be issued Within ten (10) days written notice from the Manager, each Member shall have the first right (but not the obligation) to participate in the additional contributions in proportionate to such Member's then current Income Sharing Percentage.

Section 2.3. **Distribution of Capital; No Interest on Capital.** Except as may be expressly provided elsewhere in this Agreement, (1) no Member shall be entitled to withdraw or to receive distributions of or against its capital contributions, without the prior consent of, and upon the terms and conditions agreed upon by all of the other Members; (2) no Member shall be paid interest on any capital contributions; and (3) no Member shall have any priority over other Members as to contributions or as to compensation by way of income.

Section 2.4. **Required Funds.** In addition to the provisions of Section 2.2(B) and 2.2(C) above, if the Manager determines that the Limited Liability Company requires funds to cover operating deficits, to make capital expenditures or for any other Limited Liability Company purpose, including expenditures for the development, maintenance and/or renovation of the

Business Property (collectively, the "Required Funds") the Required Funds, or any part thereof, may, if determined appropriate by the Manager, be borrowed or received in return for Common Interest by the Limited Liability Company from one or more Members or groups or from third parties on terms and conditions acceptable to a Supermajority-in-Interest of the Members.

Section 2.5. **Loans.** All advances to the Limited Liability Company by any Member or group, other than the capital contributions required by Sections 2.1, shall be deemed to be loans by such Member or group to the Limited Liability Company and, absent agreement otherwise, the Member or group making the same shall be entitled to interest thereon at the "Applicable Rate" (as defined below), and the same, together with interest as aforesaid, shall be repaid out of funds of the Limited Liability Company not otherwise required in the Limited Liability Company business but before any distribution under Article III hereof. For purposes hereof, "Applicable Rate" means the lesser of (a) a per annum rate that is two percentage points higher than the annual corporate base interest rate announced by Commerce Bank, N.A., of Kansas City during the period the applicable obligation is outstanding, as such base rate changes from time to time, or (b) the maximum interest that may be charged by such Member on such obligation under the applicable usury law (if any).

Section 2.6. **No Enforcement By Creditors.** The provisions of this Article shall not be enforced by any creditor of the Limited Liability Company and such creditors are not to be construed as third-party beneficiaries of any of the provisions set forth herein.

ARTICLE III. DISTRIBUTIONS.

Section 3.1. **Distributions of Net Cash Flow.** Distributions of Net Cash Flow may be made from time to time, if at all, as the Manager shall determine (in accordance with the provisions of this Agreement) to the Members in proportion to their then respective Income Sharing Percentages as set forth in Schedule A attached hereto, as the same may be amended; **PROVIDED** distributions of Net Cash Flow shall be made by the Manager not less frequently than annually after the close of each calendar year to the Members in proportion to their then respective Income Sharing Percentages as set forth in Schedule A attached hereto, as the same may be amended, in amounts reasonably determined by the Manager to approximate the federal and state income taxes at the highest effective tax rate attributable to allocation of profits with respect to the Common Interests.

Section 3.2. **Distributions to be Made in Cash.** All distributions to the Members shall be made in cash and no Member shall have the right to receive distributions of property other than cash.

ARTICLE IV. ALLOCATION OF PROFITS AND LOSSES.

Section 4.1. **Profits and Losses.** Subject to the provisions contained in Section 3.1 above, allocations of profits and losses, together with any applicable special and/or curative allocations (and their priority and/or adjustments), for each fiscal year shall be made in accordance with generally accepted accounting principles consistently applied and applicable regulations, in the

direction of the Manager, through the Limited Liability Company's accountants and/or tax advisors.

ARTICLE V. ACCOUNTING.

Section 5.1. **Accounting Methods; Tax Matters.** The Limited Liability Company books and records shall be prepared in accordance with generally accepted accounting principles on a tax basis, consistently applied, in the direction of the Manager. The Limited Liability Company shall be on the cash or accrual basis for both tax and accounting purposes as determined by the Manager. All Federal, State and local income tax returns of the Limited Liability Company shall be prepared under the direction of the Manager. Cardinal Crest Development, LLC is hereby designated as the Limited Liability Company's so-called "tax matters member" to serve with respect to the Limited Liability Company in the same capacity as a so-called "tax matters partner" as defined or previously defined in the Code and in such capacity is hereby authorized and empowered to act for and represent the Limited Liability Company and each of the Members before the Internal Revenue Service in any audit or examination of any Limited Liability Company tax return and before any court selected for judicial review of any adjustment assessed by the Internal Revenue Service. The Members specifically acknowledge, without limiting the general applicability of this Section, that the tax matters member shall not be liable, responsible or accountable in damages or otherwise to the Limited Liability Company or any Member with respect to any action taken by it in its capacity as the tax matters member. All out of pocket expenses incurred by the tax matters member in such capacity shall be considered an expense of the Limited Liability Company for which the tax matters member shall be entitled full reimbursement.

Section 5.2. **Fiscal Year.** The fiscal year of the Limited Liability Company shall end on the 31st day of December of each calendar year.

Section 5.3. **Bank Accounts.** The funds of the Limited Liability Company shall be deposited in such bank accounts or invested in such interest-bearing or noninterest-bearing investments, as shall be designated by the Manager.

ARTICLE VI. POWERS, RIGHTS AND DUTIES OF MANAGERS.

Section 6.1. Management Authority and Duties.

(A) The Limited Liability Company shall be managed by the Manager. The initial Manager is Cardinal Crest Development, LLC. Although Cardinal Crest Development, LLC is currently a Member, a Manager may be a Member but does not have to be a Member. The Manager shall serve until the Manager resigns or is removed. A Manager may be removed by the Members with or without cause during its term, but only if such removal is "Approved By the Supermajority-in-Interest of the Members" (as defined below).

Except only as otherwise expressly provided in subparagraph (B) below, the Manager shall have the sole and exclusive authority to manage and control all aspects of the Limited Liability Company and its business, including the Business Property and all of the operations and affairs of the Limited Liability Company, and shall have all of the rights and powers

of a Manager as provided in the Act and as otherwise provided by law, including, but not limited to making business judgments and/or decisions on behalf of the Limited Liability Company and by means of example, but not limitation:

(1) Keeping all books of account and other records of the Limited Liability Company in accordance with the terms of this Agreement.

(2) Preparing and delivering to each of the Members periodic reports, not less often than annually, of the state of the business and affairs of the Limited Liability Company.

(3) Having an annual set of financial statements of the Limited Liability Company's books prepared and furnishing each Member with a copy of a balance sheet and a statement of income, as soon as reasonably practicable after the close of the Limited Liability Company's fiscal year, but in no event later than the date required by the Limited Liability Company's lenders or mortgagees. In addition, within seventy-five (75) days after the end of each fiscal year, the Manager shall have accountants prepare and deliver to each Member a report setting forth in sufficient detail all such information and data with respect to business transactions affected by or involving the Limited Liability Company during such fiscal year as shall enable the Limited Liability Company and such Member to prepare his Federal, State and local income tax returns in accordance with the laws, rules and regulations then prevailing. The Manager shall have such accountants also prepare Federal, State and local tax returns required of the Limited Liability Company and shall file the same. The Manager shall also furnish to each Member such other reports on the Limited Liability Company's operations and conditions as may be reasonably required by any Member.

(4) To the extent that funds of the Limited Liability Company are available therefor, paying all debts and other obligations of the Limited Liability Company including amounts due under permanent and other loans to the Limited Liability Company.

(5) Maintaining all funds of the Limited Liability Company held by the Manager in accounts and in a bank or banks designated by the Manager.

(6) Making distributions periodically to the Members in accordance with the provisions of this Agreement.

(7) Performing all business functions and otherwise operating and managing the business and affairs of the Limited Liability Company in accordance with this Agreement and doing or causing to be done any and all lawful things for and on behalf of the Limited Liability Company, exercising or causing to be exercised any or all of its powers, privileges and franchises, and seeking the effectuation of the Limited Liability Company's objects and purposes, including

the power to authorize any transaction, agreement or action on behalf of the Limited Liability Company that is within the ordinary course or the business of the Limited Liability Company.

(8) Supervising the acquisition, development, construction, management and/or operation of the Business Property.

(9) Performing other obligations provided elsewhere in this Agreement to be performed by the Manager.

(10) Acquiring any real property or interest therein, and any ownership or membership interests in the owner(s) thereof not to exceed One Hundred Thousand Dollars (\$100,000) in cost. Any acquiring of real property which exceeds One Hundred Thousand Dollars (\$100,000) in cost, shall require approval by Supermajority-in-Interest of the Members.

(11) Borrowing, financing or refinancing of any mortgage, deed of trust or other security instrument on or encumbering all or any part of the Business Property or otherwise.

(12) Leasing all or any portion of the Business Property.

(13) Determining whether or not distributions should be made to the Members, except as set forth in Section 3.1.

(14) Making or implementing any other decision or action which by any provision of this Agreement is required to be or may be made by the Manager.

(B) Notwithstanding the foregoing provisions of this Section or anything to the contrary contained in this Agreement, no act shall be taken, sum expended, decision made or obligation incurred by the Limited Liability Company or the Manager with respect to a matter within the scope of any of the Member Decisions (hereinafter called "Member Decisions") as enumerated below, unless such Member Decision has been "Approved By the Supermajority-in-Interest of the Members" (as defined below) entitled to vote.

The Member Decisions are:

(a) Approving a merger or consolidation;

(b) Changing the status of the Limited Liability Company to a member-managed limited liability company; and

(c) Selling or transferring all or substantially all of the Business Property and assets of the Limited Liability Company.

(C) When the phrase "Approved By the Supermajority-in-Interest of the Members" is used in this Agreement, such phrase shall mean approved by the Members entitled to vote who own at least 64% of the Common Interests. A Member's approval of any act or determination shall be effective whether or not such Member's vote is cast at a meeting of Members (and whether or not all of the Members are in attendance at any such meeting), or whether by formal or informal, oral or written instructions of such Member. In no event shall a Member who is in default under this Agreement at the time a vote is taken or a decision is made be entitled to vote in respect of any act, determination or decision of the Limited Liability Company.

(D) Persons dealing with the Limited Liability Company with respect to the Business Property or otherwise are entitled to rely conclusively on the power and authority of the Manager as set forth in this Agreement, including, the execution of documents and any other actions taken in effecting decisions reached in accordance with subparagraph (B) above.

Section 6.2. **Conflicts of Interest.** The Manager shall not be required to manage the Limited Liability Company as its sole and exclusive function, and the Manager may have other business interests and may engage in other activities in addition to those relating to the Limited Liability Company, including the making or management of other investments. Without limitation on the generality of the foregoing, each Member recognizes that the others invest, operate, transfer, lease and otherwise use real property and interests therein for profit, and engage in any and all activities related or incidental thereto, and that they will make other investments consistent with such purposes. Neither the Limited Liability Company nor any Member shall have any right by virtue of this Agreement or the relationship created hereby in or to any other ventures or activities in which any Member or the Manager is involved or to the income or proceeds derived therefrom, and the pursuit of other ventures and activities by any Member or Manager is hereby consented to by the other Members and shall not be deemed wrongful or improper. Except as otherwise provided in this Agreement or in any agreement between the Members, no Member or Manager shall be obligated to present any particular investment opportunity to the Limited Liability Company even if such opportunity is of a character which if presented to the Limited Liability Company would be taken by the Limited Liability Company, and such Member or Manager shall have the right to take for his own account, or to recommend to others, any such particular investment opportunity.

Section 6.3. **Contracts With Members and Affiliates.** The Limited Liability Company through the Manager may enter into agreements with any Member or affiliate of a Member or Manager including Cardinal Crest Commercial, LLC, as determined by the Manager, in its sole and absolute discretion, unless such agreement would create a conflict of interest between any Member or between the Manager and any Member in which case the Manager must obtain approval by the Supermajority-in-Interest of the Members.

Section 6.4. **Liability of Manager or Members.** No Member and no Manager shall be liable, responsible, or accountable, in damages or otherwise, to the Limited Liability Company or the Members, for any action taken or by the reason of the failure to act on behalf of the Limited Liability Company within the scope of the authority conferred on such Member or Manager by

this Agreement or by law, unless such action or omission was performed or omitted fraudulently or with deliberate dishonesty or constituted wanton and willful misconduct.

Section 6.5. Indemnification of Manager and Members.

(A) The Limited Liability Company shall indemnify and hold harmless the Members and the Manager, and their agents, from and against any loss, expense, damage, or injury suffered or sustained by reason of any acts, omissions, or alleged acts or omissions in their capacities as Members or Manager(s) hereunder arising out of its activities on behalf of the Limited Liability Company or in furtherance of the interests of the Limited Liability Company, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees, and other costs and expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; **PROVIDED**, that the acts, omissions, or alleged acts or omissions upon which such actual or threatened action, proceeding, or claims were not performed or omitted because of fraud, deliberate dishonesty or wanton and willful misconduct. Expenses (including attorney's fees) reasonably incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, investigative, or appellate, shall be paid by the Limited Liability Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person or entity to repay such amount(s) to the Limited Liability Company if it shall be determined ultimately that such person or entity is not entitled to indemnification by the Limited Liability Company. In no event shall any advance be made in instances where the Manager or independent legal counsel for the Limited Liability Company reasonably determines that such person or entity would not be entitled to indemnification hereunder.

(B) To the extent that a present or former Member, Manager, officer, employee or agent of the Limited Liability Company has been successful on the merits or otherwise as a plaintiff in an action to determine that the plaintiff is a Member of the Limited Liability Company or in defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or entity is or was a Member, Manager, officer, employee or agent of the Limited Liability Company, or is or was serving at the request of the Limited Liability Company as a Member, Manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, or in defense of any claim, issue, or matter therein, such Member, Manager, officer, employee or agent shall be indemnified by the Liability Company against expenses actually and reasonably incurred by such person or entity in connection therewith, including attorney fees.

Section 6.6. Compensation and Reimbursement of Members.

(A) Except as otherwise set forth herein, the Limited Liability Company shall not pay any Member any salary or other compensation for acting as a Member hereunder or for any service rendered to the Limited Liability Company.

(B) The Manager shall be reasonably compensated and reimbursed by the Limited Liability Company for all reasonable out-of-pocket expenses incurred in connection with the

discharge of obligations under this Agreement or otherwise incurred on behalf of the Limited Liability Company.

Section 6.7 Tax Compliance

(A) Withholding. If the Limited Liability Company is required by law or regulation to withhold and pay over to a governmental agency any part or all of a Distribution or allocation of Profit to a Member:

(1) the amount withheld will be considered a Distribution to the Member; and

(2) if the withholding requirement pertains to a Distribution in kind or an allocation of Profit, the Limited Liability Company will pay the amount required to be withheld to the governmental agency and promptly take such action as it considers necessary or appropriate to recover a like amount from the Member, including offset against any Distributions to which the Member would otherwise be entitled.

(B) Tax Matters Member. The Tax Matters Member for the Company shall be governed by the provisions set forth below:

(1) Joseph J. Christensen is hereby designated the Tax Matters Member (as defined in Section 6231(a)(7) of the Code) on behalf of Limited Liability Company. The Limited Liability Company may remove any Tax Matters Member, with or without cause, and designate a successor to any Tax Matters Member who for any reason ceases to act. A Member is eligible to serve as the Tax Matters Member only if (i) the Member is then serving as a Manager or (2) no Member is then serving as a Manager.

(2) The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as Tax Matters Member by giving notice thereof on or before the tenth (10th) business day after becoming aware thereof and, within that time, shall forward to each Member copies of all significant written communications that it may receive in that capacity.

(3) The Tax Matters Member shall from time to time cause the Limited Liability Company to make such tax elections as the Manager deems to be in the best interest of the Limited Liability Company; provided, however, that the Tax Matters Member shall have no right to extend the statute of limitations for assessing or computing any tax liability against the Limited Liability Company or the amount of any Limited Liability Company tax item, without the unanimous consent of the Members.

(4) If the Tax Matters Member elects to file a petition for readjustment of any Limited Liability Company tax item (in accordance with Code Section 6226(a)) such petition shall be filed in the United States Tax Court unless the Members unanimously agree otherwise.

(5) The Tax Matters Member shall, within ten (10) business days after receipt thereof, forward to each Member a photocopy of any correspondence relating to the Limited Liability Company received from the Internal Revenue Service. The Tax Matters Member shall, within ten (10) business days thereof, advise each Member in writing of the substance of any conversation held with any representative of the Internal Revenue Service.

(6) The Tax Matters Member shall cause to be prepared and filed on a timely basis all necessary federal, state, and local tax returns of the Limited Liability Company and shall cause the Limited Liability Company to distribute on a timely basis all Schedules K-1 or other tax information or information returns that the Members shall require or request. Each Member shall furnish all relevant information in his, her, or its possession relating to the Limited Liability Company that is necessary to enable the Tax Matters Member to fulfill the duties imposed under this Agreement.

(7) Any reasonable costs incurred by the Tax Matters Member for retaining accountants and/or lawyers on behalf of the Limited Liability Company in connection with any Internal Revenue Service audit of the Limited Liability Company shall be expenses of the Limited Liability Company. Any accountants and/or lawyers retained by the Company in connection with any Internal Revenue Service audit of the Limited Liability Company shall be selected by the Tax Matters Member and the fees therefor shall be expenses of the Company.

(C) Partnership Representative. If the Limited Liability Company is taxed as a partnership, or if the context otherwise requires, the following provisions shall apply:

(1) This Section 6.7 shall apply for tax years beginning after the Effective Date.

(2) For purposes of this Section 6.7, unless otherwise specified, all references to provisions of the Code shall be to such provisions as enacted by the Bipartisan Budget Act of 2015 (the "BBA") as such provisions may subsequently be modified.

(3) The Person designated as Tax Matters Member pursuant to Section 6.7(B) shall be the Company's designated "partnership representative" within the meaning of Section 6223 of the Code (the "Tax Representative") with sole authority to act on behalf of the Limited Liability Company for purposes of Subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws. The Tax Representative shall possess all authority granted to the Tax Matters Member pursuant to this Agreement.

(4) If the Limited Liability Company qualifies to elect pursuant to Code Section 6221(b) (or any successor provision) to have Subchapter C of Chapter 63 of the Code not apply to any federal income tax audits and other proceedings, the Tax Representative shall cause the Company to make such election, unless otherwise directed by a majority of the Members in writing.

(5) If any “partnership adjustment” (as defined in Code Section 6241(2)) is determined with respect to the Limited Liability Company, the Tax Representative shall promptly notify the Members upon receipt of a notice of final partnership adjustment, and shall take such actions as directed by a majority of the Members in writing, within ten (10) business days after receipt of such notice, including whether to file a petition in Tax Court, cause the Limited Liability Company to pay the amount of any such adjustment under Code Section 6225, or make the election under Code Section 6226.

(6) If any partnership adjustment (as defined in Code Section 6241(2)) is finally determined with respect to the Limited Liability Company and the Tax Representative has not caused the Limited Liability Company to make the election under Code Section 6226, then (i) the Members shall take such actions requested by the Tax Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2); (ii) the Tax Representative shall use commercially reasonable efforts to make any modifications available under Code Section 6225(c)(3), (4), and (5); and (iii) any “imputed underpayment” (as determined in accordance with Code Section 6225) or partnership adjustment that does not give rise to an imputed underpayment shall be apportioned among the Members of the Limited Liability Company for the taxable year in which the adjustment is finalized in such manner as may be necessary (as determined by the Tax Representative in good faith) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment, any associated interest and penalties, and any expenses incurred by the Tax Representative or by the Limited Liability Company with respect to any Internal Revenue Service audit of the Limited Liability Company, including, without limitation, expenses incurred for services of accountants and/or lawyers, are borne by the Members based upon their interests in the Limited Liability Company for the reviewed year.

(7) If any subsidiary of the Limited Liability Company (i) pays any partnership adjustment under Code Section 6225; (ii) requires the Limited Liability Company to file an amended tax return and pay associated taxes to reduce the amount of partnership adjustment imposed on the subsidiary; or (iii) makes an election under Section 6226, the Tax Representative shall cause the Limited Liability Company to make the administrative adjustment request provided in Code Section 6227 consistent with the principles and limitations set forth in Sections 6.7(C)(5) and 6.7(C)(6) above for partnership adjustments of the Limited Liability Company, and the Members shall take such actions reasonably requested by the Tax Representative in furtherance of such administrative adjustment request.

(8) Each Member shall furnish such information as is reasonably requested by the Tax Representative.

(9) The obligation of each Member or former Member under this Section 6.7 shall survive the transfer or redemption by such Member of its Membership

Interests and the termination of this Agreement or the dissolution of the Limited Liability Company.

(10) Any reasonable costs incurred by the Tax Representative for retaining accountants and/or lawyers on behalf of the Company regarding any Internal Revenue Service audit of the Limited Liability Company shall be expenses of the Limited Liability Company, and shall not be borne personally by the Tax Representative. Any accountants and/or lawyers retained by the Limited Liability Company regarding any Internal Revenue Service audit of the Limited Liability Company shall be selected by the Tax Representative and the fees therefor shall be expenses of the Company, subject to allocation pursuant to Section 6.7(C)(6) above.

(11) The Limited Liability Company shall indemnify the Person serving as the Tax Matters Partner or Tax Representative, with respect to matters relating to the Persons serving in that capacity, to the same extent as the Limited Liability Company is obligated to indemnify an officer, Manager or Member pursuant to this Agreement.

ARTICLE VII. TRANSFER OF MEMBERSHIP INTERESTS

Section 7.1. **Restrictions.** Except as otherwise set forth herein, no sale or assignment shall be made by any Member of the whole or any part of its Interest in the Limited Liability Company, and no encumbrance or hypothecation shall be made thereof unless such encumbrance or hypothecation is approved by the Manager. Notwithstanding anything to the contrary set forth herein, if any Interest is transferred or assigned, in whole or in part, by any Member, the assignee of the Interest shall not be entitled to participate in the management of the business and affairs of the Limited Liability Company or to become or exercise the rights of a Member, unless such assignment or transfer is approved by the Manager.

Section 7.2. **Right of First Refusal.**

(A) Before a Member (the "Selling Member") may sell all or any part of its Limited Liability Company Interest (such whole or partial Interest, as the case may be, constituting the "Offered Interest"), the Selling Member shall, except as set forth in paragraph (B) below, give notice ("Offer Notice") to the Manager and the other Members of such proposed sale, which notice shall include a copy of a letter of intent (which may be non-binding) with the proposed purchaser setting forth the purchase price and the terms of payment of the proposed sale. The other Members shall have 30 days after receipt of the Offer Notice to elect, by giving written notice to the Selling Member, to acquire pro rata in the ratio that each such Member's Income Sharing Percentage bears to the aggregate Income Sharing Percentages owned by all of such Members who elect to purchase, all or any part of the Offered Interest for the purchase price and upon the terms specified in the Offer Notice, and shall have 90 days after receipt of the Offer Notice to close such sale. Notwithstanding anything to the contrary in the foregoing, unless an election has been made under this paragraph (A) to acquire all of the Offered Interest, the Selling Member shall not be required to sell any part of such Offered Interest to any electing Member and may conclude a sale of the entire Offered Interest to the proposed purchaser or, at his option, may sell so much of the Offered

Interest to the electing Members (at the time(s) specified above) as they have elected to purchase, and conclude a sale of the remainder of such Offered Interest to the proposed purchaser. Any sale to the proposed purchaser under this provision may be concluded at any time or times within 180 days after the giving of the Offer Notice, for a purchase price and on terms which are at least as favorable to the Selling Member as those contained in the Offer Notice; but if a sale is not consummated within such period, then the rights of the other Members to notice and purchase as aforesaid shall continue as to any new sale. The purchase price for the sale of an Offered Interest (or applicable part thereof) to a person pursuant to this paragraph shall be payable entirely in cash.

(B) All Interests in the Limited Liability Company transferred, assigned or bequeathed pursuant to the provisions of this Article shall be subject to the restrictions and obligations set forth in this Agreement.

Section 7.3. **Right to Purchase Upon Triggering Events.** In the event of the Bankruptcy, resignation, death, dissolution, expulsion, or withdrawal contrary to the provisions of this Agreement (the "Dissolution Event") of a Member (the "Withdrawing Member"), the Limited Liability Company shall have the option to redeem if such redemption is Approved By the Members, or if such redemption is not so Approved By the Members, the remaining Members shall have the option (on a prorata basis if more than one Member desires to exercise the option), exercisable (by written notice to Withdrawing Member or its personal representatives, successors or assigns) at any time within 180 days after they learn of the Dissolution Event to purchase the Interest of the Withdrawing Member on the terms hereinafter set forth (such option being herein called the "Limited Liability Company Purchase Option"). Nothing herein shall be deemed to require the Limited Liability Company or such remaining Members to exercise such option.

In the event of the exercise of the Limited Liability Company Purchase Option, the consideration for the Withdrawing Member's Interest shall be the amount (if any) that will produce for the Withdrawing Member the same amount in cash as he would have received if the Business Property owned by the Limited Liability Company at the date on which the Dissolution Event occurs had been sold at its then fair market value and the Limited Liability Company had been dissolved and wound up following such sale. The fair market value of such Business Property shall be as agreed upon by the Members, or if they fail to agree upon such value within 30 days after the giving of the Purchase Option Notice, then as determined by an independent appraiser selected by the remaining Members, the determination of such appraiser to be final, conclusive and binding upon the parties. Notwithstanding anything to the contrary contained herein, if the Withdrawing Member is in violation of this Agreement by virtue of his withdrawal or is fired from his employment with the Limited Liability Company, then (i) the good will of the Limited Liability Company shall be excluded in determining the fair value of the Withdrawing Member's interest; (ii) in addition to any remedies otherwise available under applicable law, the amount payable to the Withdrawing Member shall be reduced by any damages suffered by the Limited Liability Company or its Members as a result of the Withdrawing Member's breach of this Agreement and/or his employment agreement with the Limited Liability Company, and (iii) the Limited Liability Company may defer payment of the amount the Withdrawing Member is entitled to receive hereunder for such period, and shall secure the same by such collateral, as may be approved by the parties or a court in order to prevent unreasonable hardship to the Limited Liability Company.

Notwithstanding the provisions of the preceding paragraph, the Members and the Limited Liability Company may at any time fix the purchase price for the Limited Liability Company Purchase Option by filing with the Manager a certificate of agreed value signed by the Limited Liability Company and each Member. Any certificate of agreed value shall contain the name of the Limited Liability Company, a statement as to the agreed purchase price, and an effective date. If at any time when it becomes necessary to determine the purchase price for the Limited Liability Company. The Members and the Limited Liability Company may at any time execute a new certificate of agreed value which shall automatically replace all prior certificates of agreed value, and in no event shall any but the last certificate of agreed value be effective, if at all, for the purpose herein specified.

The remaining Members may assign their rights under this Section 7.3 to purchase the Withdrawing Member's Interest. Any sum payable for the Withdrawing Member's Interest as hereinabove determined must be paid by certified or cashier's check within 60 days after the determination of the amount of the same as aforesaid. Concurrently with the payment of such sum (or if no amount shall be payable for such interest, then upon demand of the assignee) the assignors of such interest shall deliver or cause to be delivered to the remaining Members (or their assignees) such assignments of the Interest and other instruments and documents confirming the assignment, transfer and relinquishment of all claims, rights and interest in, to and against the Limited Liability Company and/or its assets as the remaining Members (or their assignee) shall reasonably request. The acquisition of such Interest as aforesaid shall be deemed effective as of the date on which the Dissolution Event occurred ("Dissolution Event Date") and, accordingly, the remaining Members shall be entitled to all profits and losses under Article IV (and items thereof) and distributions of Net Cash Receipts or other items for any period after the Dissolution Event Date.

Section 7.4. **Excepted Transfers**. Notwithstanding anything to the contrary set above in Sections 7.2 and 7.3, each Member hereby consents to the transfer of any membership interest hereunder, whether directly or indirectly, by sale, assignment, gift, devise or other manner, to any person(s) who is a spouse or lineal descendent of any person(s) who is an owner of an Interest or an ownership interest of a Member as of the date of this Agreement, or to any trust for the benefit of such person(s)(collectively, the "Excepted Parties" and individually, the "Excepted Party"); and no right of first refusal or other right or option to purchase contained in Sections 7.2 and 7.3 shall be applicable to any such transfer to such Excepted Parties unless specifically agreed to by such Excepted Party in a separate writing subsequently entered into by such Excepted Party.

Section 7.5. **Effect of Assignment; Documents**. Unless otherwise agreed by the Members (in accordance with Section 6.1 (B)) or expressly provided herein, no sale, assignment or transfer permitted hereunder shall relieve the assignor from any of its obligations under this Agreement accruing prior to such sale, assignment or transfer. As a condition to any sale, transfer or assignment permitted hereunder, the transferee or assignee must execute this Agreement (as amended) and agree to be bound by all of its terms and provisions, pay the Limited Liability Company for its legal and accounting expenses incurred in connection therewith and reimburse the Limited Liability Company for all costs incurred in connection with the preparation and filing of any documents necessary or appropriate to reflect the status of such transferee or assignee as a Member. Upon the satisfaction of the foregoing conditions, the Members shall, in accordance with

and to the extent required by the Act or other applicable law, file all necessary or appropriate documents (if any) and the transferee or assignee shall become a substituted Member.

Section 7.6. **Adjustment of Interest Allocation Upon Triggering Event.** Each Member agrees that their Interest shall be equally adjusted to grant Cardinal Crest Development, LLC, an additional five percent (5%) Interest (in accordance with *Schedule A(1)*) upon the completion of Cardinal Crest Development, LLC, achieving the proposed budget and schedule for the construction project..

ARTICLE VIII. DISSOLUTION OF THE LIMITED LIABILITY COMPANY.

Section 8.1. **Dissolution Acts.** No act, thing, occurrence, event or circumstance shall cause or result in the dissolution of the Limited Liability Company, except the happening of any one of the following events shall work an immediate dissolution of the Limited Liability Company:

(A) The agreement in writing by the Manager or the Members who own at least 64% of the Common Interests to dissolve the Limited Liability Company;

(B) Upon the entry of a decree of dissolution with respect to the Limited Liability Company by a court of competent jurisdiction.

Without limitation in respect of the other provisions hereof, neither the assignment of all or any part of a Member's Interest permitted hereunder, the admission of a new Member, nor the death, retirement, resignation, expulsion, Bankruptcy or dissolution of any Member shall work the dissolution of the Limited Liability Company. Except as otherwise provided in this Agreement, each Member agrees that without the consent of the other Members, a Member may not withdraw from or cause a voluntary dissolution of the Limited Liability Company.

Section 8.2. **Right to Discontinue Business of the Limited Liability Company.** In the event of the death, expulsion, Bankruptcy or dissolution of any Member, then within 90 days following the occurrence of any such event, the remaining Members of the Limited Liability Company who own at least 64% of the then current Common Interests, may agree in writing to dissolve the Limited Liability Company, in which event, the Limited Liability Company shall be dissolved.

Section 8.3. **Winding-Up.** In the event of the dissolution of the Limited Liability Company for any reason, the Manager (or the other Members if there has been a Dissolution Event(s) with respect to the Managers) shall commence to wind up the affairs of the Limited Liability Company and to liquidate the investments. The Manager or Member(s) obligated to wind up the affairs of the Limited Liability Company as aforesaid are herein called the "Liquidating Trustee(s)". The Members shall continue to share profits, losses (and items thereof) and Net Cash Flow during the period of liquidation in the same manner and proportion as though the Limited Liability Company had not dissolved. The Supermajority-in-Interest of the Members or remaining Members shall have full right and unlimited discretion to determine in good faith the time, manner and terms of any sale or sales of Limited Liability Company property pursuant to such liquidation, having due

regard to the activity and condition of the relevant market and general financial and economic conditions.

Section 8.4. **Distribution of Proceeds on Dissolution**. Upon the dissolution and termination of the Limited Liability Company, the Liquidating Trustee(s) shall proceed with the liquidation of the Limited Liability Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice, and the proceeds therefrom (the "Dissolution Proceeds") to the extent sufficient therefor, shall be applied and distributed in the following order or priority:

(A) First, all of the Limited Liability Company's debts, liabilities and obligations (excluding any loans or advances by the Members) shall be paid in full;

(B) Second, the Limited Liability Company's debts and liabilities for loans or advances by the Members shall be paid, but if the amount available therefor shall be insufficient, then pro rata on account thereof; and

(C) Third, the balance, if any, shall be distributed to the Members in proportion to their respective positive capital accounts after taking into account all allocations of income and gain through the liquidation process.

Section 8.5. **No Liability**. Each Member shall look solely to the assets of the Limited Liability Company for all distributions with respect to the Limited Liability Company and his or its capital contributions thereto and share of the profits or losses thereof, and shall have no recourse thereof (in the event of any deficit in the Member's capital account or otherwise) against any Member; PROVIDED, that nothing herein contained shall relieve any Member of such Member's obligation to make the capital contributions herein provided or to pay any liability or indebtedness owing the Limited Liability Company by such Member and the Limited Liability Company and the other Members shall be entitled at all times to enforce such obligations of such Member. No holder of a Limited Liability Company Interest shall have any right to demand or receive property other than cash upon dissolution and termination of the Limited Liability Company.

Section 8.6. **Termination**. Upon the completion of the liquidation of the Limited Liability Company and the distribution of all Limited Liability Company funds, the Limited Liability Company shall terminate and the Liquidating Trustee(s) shall have the authority to execute and record any and all documents required to effectuate the dissolution.

ARTICLE IX. GENERAL

Section 9.1. **Notices**. Any notice, request, approval, consent, demand or other communication required or permitted hereunder shall be given in writing by (a) personal delivery, or (b) expedited delivery or overnight service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, sent to the party to whom the communication is directed at the address shown in Schedule A attached hereto, as may be

amended, or to such different address as the addressee shall have designated by written notice sent in accordance herewith. Notices given by personal delivery or expedited delivery or overnight service shall be deemed given and received on the date of actual receipt by the addressee. Notices given by registered or certified mail shall be deemed given on the date of registration or certification thereof and shall be deemed received on the earlier of (a) the date of the return receipt thereof, or (b) 3 days after deposit of the same in the mail.

Section 9.2. **Amendment.** No amendment to this Agreement shall be binding upon a party hereto unless set forth in a document duly executed by or on behalf of such party.

Section 9.3. **Security Agreements.**

(A) For the sole purpose of securing each Member's agreements, covenants, warranties, obligations, and indemnities under this Agreement, each Member ("Granting Member") shall and does hereby assign and transfer to the Limited Liability Company and to each other Member, all of Granting Member's right, title and interest in and claims against the Limited Liability Company now or at any time or times hereafter held, including, but not limited to, its interest in the capital and the profits and losses of the Limited Liability Company. The property and interest assigned and transferred as aforesaid shall constitute and shall be held as collateral security for each and all of the agreements, covenants, warranties, obligations, and indemnities of such Granting Member under or in connection with this Agreement, and each Granting Member hereby grants to the Limited Liability Company and to each other Member a security interest in the property and interests assigned and transferred as aforesaid for such purposes.

(B) If Granting Member shall breach or default in, or fail to comply with, any of its obligations secured hereby, then the Limited Liability Company and the Member to whom the security for such obligations shall have been granted hereunder, or any of them, may (1) pursue the remedies against the property and interests transferred and assigned hereunder available under the applicable provisions of law, including the applicable provisions of any state commercial code, and (2) cause to be paid to it or them any sum payable on account of or with respect to the property and interests assigned as security as aforesaid (including, but not limited to any distribution with respect to a Limited Liability Company interest in the Limited Liability Company) and apply such sum to the amount to which the Limited Liability Company and a Member, or either of them, are or become entitled with respect to the obligation or obligations secured hereunder.

(C) The foregoing is not intended, however, to limit a Member's right to receive distributions hereunder prior to the occurrence of a breach or default not cured within the applicable cure period, if any, of the obligations secured by the assignment of such Member under this Section. The rights and remedies of a Member provided under Paragraph (A) above shall not limit, but shall be in addition to such Member's other rights and remedies (including, but not limited to, those provided by law and those provided by any other agreement).

(D) Each Member shall execute and cause to be filed such financing statements as the Limited Liability Company or any other Member shall from time-to-time reasonably request to perfect or maintain the perfection of the security interests herein granted to the Limited Liability

Company or such Member hereunder. Each Member shall have priority to the Limited Liability Company with respect to the rights assigned hereunder.

Section 9.4. **Miscellaneous.** This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties respecting such matters. Time is of the essence of this Agreement. Paragraph headings and captions shall not be used in construing this Agreement. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, successors and assigns. If any provision of this Agreement or the application of such provision to other persons or circumstances shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

Each Member acknowledges that none of the Common Units have been registered under the Securities Act of 1933, as amended, or any other federal or state security law, and each Member represents to the other and the Limited Liability Company that any Common Unit acquired by any Member hereunder is being acquired for investment purposes only and not for the purpose of distribution or resale. Nothing contained herein shall require the Limited Liability Company to cause any Common Unit to be registered. Each Member understands the nature of their ownership interest and investment herein and the financial risks thereof, and each Member expressly acknowledges and agrees that such Member has been offered and afforded access to and disclosure of all documentation and other information deemed material by such Member prior to Member's ownership interest herein.

Section 9.5. **Further Misc. Matters; Waiver of Jury Trial.** If the Limited Liability Company or any other party obtains a judgment against any other party by reason of a breach of this Agreement or failure to comply with the provisions hereof, a reasonable attorneys' fee as fixed by the court shall be included in such judgment. Any Member shall be entitled to maintain, on its own behalf or on behalf of the Limited Liability Company, any action or proceeding against any other Member or the Limited Liability Company (including, without limitation, any action for damages, specific performance or declaratory relief) for or by reason of a breach by such party of this Agreement, or any other agreement entered into in connection with the same, notwithstanding the fact that any or all of the parties to such proceeding may then be Members in the Limited Liability Company, and without dissolving the Limited Liability Company as a Limited Liability Company; **PROVIDED** that each Member hereby irrevocably waives any and all rights that it may have to maintain any action for partition of any of the Business Property.

To the extent feasible, the parties desire to resolve any controversies or claims arising out of or relating to this Agreement through discussions and negotiations among or between each other. In the event that, after good faith discussions, such controversies or claims cannot be resolved solely among or between the parties, the parties agree to submit such controversies or

claims to non-binding mediation prior to the institution of any legal action thereon. Thereafter, the parties may further agree, but shall not be obligated, to pursue any other type of formal or informal dispute resolution that is feasible under the circumstances, including referral of any such dispute, controversy or claim to any third party for resolution.

No remedy conferred upon the Limited Liability Company, or any Member in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No waiver by a Member of the Limited Liability Company of any breach of this Agreement shall be deemed to be a waiver of any breach of any like kind or nature and no acceptance of payment or performance by a Member or the Limited Liability Company after any such breach shall be deemed to be a waiver of any breach of this Agreement whether or not such Member or the Limited Liability Company knows of such breach at the time it accepts such payment or performance. No failure or delay on the part of a Member or the Limited Liability Company to exercise any right it may have upon a breach of this Agreement shall prevent the exercise thereof by such Member or the Limited Liability Company at any time during the continuation of the default, and no such failure or delay shall operate as a waiver of any default.

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THE RIGHT TO A TRIAL BY JURY FOR ANY ACTIONS ARISING OUT OF THIS AGREEMENT OR ARISING OUT THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT. In the event of a dispute, controversy or claim arising out of this Agreement or the relationship of any of the parties to this Agreement, including any Member or Manager, each of the parties hereby agree and expressly submit and consent to the exclusive in persona jurisdiction and exclusive venue of the state and federal courts of competent jurisdiction located solely in Clay County, Missouri, with respect to such dispute, controversy or claim.

Section 9.6 **Representation of Counsel**. Each Member hereby acknowledges and agrees that (i) The Smith Law Group, P.C. and Withers, Brant, Igoe and Mullennix, P.C. (collectively, the “Attorneys”) have prepared this Agreement at the request of Cardinal Crest Development, LLC and its accountants and tax advisors Mize CPA’s, Inc., and as counsel solely for Cardinal Crest Development, LLC; and (ii) the Attorneys have recommended that all other Members obtain and engage their individual separate counsel and accountants and tax advisors to review this Agreement and the other organizational and prior company documents of the Limited Liability Company on such other Member’s behalf.

{Remainder of Page Intentionally Left Blank-Signature Pages/Schedules Follow }

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of _____, 2021.

LIMITED LIABILITY COMPANY:

PARKSIDE INVESTORS, LLC,
a Missouri limited liability company,

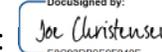
By its Manager:

Cardinal Crest Development, LLC, a Missouri limited liability company

By:  _____
Printed Name: Joe Christensen
Principle
Its: _____

MEMBERS:

CARDINAL CREST DEVELOPMENT, LLC
a Missouri limited liability company

By:  _____
Printed Name: Joe Christensen
Principle
Its: _____

(Signature Page for Remaining Members is on Following Page)

Signature Page for Additional Members

For Entities:

Name of Entity: Trejo Investments, LLLP

Name: DocuSigned by: *Jon Trejo*
Title: CEO
Date: 11/17/2021

Name of Entity: RJT-WCC, LLC

Name: DocuSigned by: *CJT*
Title: Cameron Trejo
Date: 11/16/2021

Name of Entity: JCT-WCC, LLC

Name: DocuSigned by: *Jon Trejo*
Title: manager
Date: 11/17/2021

Name of Entity: Michael V. Christensen

Family Trust
Name: DocuSigned by: *Mike Christensen*
Title: Trustmaker
Date: 11/13/2021

Name of Entity: Jeravae Christensen

Family Trust
Name: DocuSigned by: *JC*
Title: Trustmaker
Date: 11/13/2021

Name of Entity: KBH Ventures, LLC

Name: DocuSigned by: *Brian Hancock*
Title: President
Date: 11/13/2021

Name of Entity: David and Jada Christensen Trust

Name: DocuSigned by: *David Christensen*
Title: Trustee
Date: 11/13/2021

Name of Entity: The Jared and Natalie Christensen Trust

Name: DocuSigned by: *Jared Christensen*
Title: Inv
Date: 11/15/2021

Name of Entity: The David and Joan Baldwin Trust

Name: DocuSigned by: *David Baldwin*
Title: Trustee
Date: 11/12/2021

Name of Entity: Context Consulting, Inc

Name: DocuSigned by: *Dennis McEwen*
Title: President
Date: 11/12/2021

Name of Entity: CC Parkside Development, LLC

Name: DocuSigned by: *Jon Christensen*
Title: Principle
Date: 11/12/2021

Name of Entity:

Name: _____
Title: _____
Date: _____

Schedule A

Member Name and Address	Initial Capital Contributions	Additional Agreed Cash Contribution	Common Unit/Common Interest (Income Sharing Percentage)
1. Trejo Investments, LLLP	Cash: \$595,591 1031 Exchange: \$126,609	Cash: \$	9.629%
2. RJT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.852%
3. JCT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.852%
4. Michael V. Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	10.000%
5. Jeravae Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	10.000%
6. KBH Ventures, LLC	Cash: \$1,600,000	Cash: \$	21.333%
7. David and Jada Christensen Trust	Cash: \$200,000	Cash: \$	2.667%
8. The Jared and Natalie Christensen Trust	Cash: \$200,000	Cash: \$	2.667%
9. The David and Joan Baldwin Trust	Cash: \$450,000	Cash: \$	6.000%
10. Context Consulting, Inc	Cash: \$300,000	Cash: \$	4.000%
SUBTOTAL	\$5,250,000	\$	70%
CC Parkside Development, LLC	Agreed Value Consideration: Sweat Equity	None	30%
TOTAL	\$5,250,000	\$	100%

Schedule A(1)

Member Name and Address	Initial Capital Contributions	Additional Agreed Cash Contribution	Common Unit/Common Interest (Income Sharing Percentage)
1. Trejo Investments, LLLP	Cash: \$595,591 1031 Exchange: \$126,609	Cash: \$	8.942%
2. RJT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.720%
3. JCT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.720%
4. Michael V. Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	9.286%
5. Jeravae Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	9.286%
6. KBH Ventures, LLC	Cash: \$1,600,000	Cash: \$	19.810%
7. David and Jada Christensen Trust	Cash: \$200,000	Cash: \$	2.476%
8. The Jared and Natalie Christensen Trust	Cash: \$200,000	Cash: \$	2.476%
9. The David and Joan Baldwin Trust	Cash: \$450,000	Cash: \$	5.571%
10. Context Consulting, Inc	Cash: \$300,000	Cash: \$	3.714%
SUBTOTAL	\$5,250,000	\$	65%
CC Parkside Development, LLC	Agreed Value Consideration: Sweat Equity	None	35%
TOTAL	\$5,250,000	\$	100%

Schedule B

Description of Intended/Proposed Business Property Project(s)

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, JOHN R. ASHCROFT, Secretary of State of the STATE OF MISSOURI, do hereby certify that the records in my office and in my care and custody reveal that

Parkside Investors, LLC
LC014330113

was created under the laws of this State on the 21st day of October, 2021, and is active, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 16th day of December, 2021.


Secretary of State



Certification Number: CERT-12162021-0125



State of Missouri
John R. Ashcroft, Secretary of State
 Corporations Division
 PO Box 778 / 600 W. Main St., Rm. 322
 Jefferson City, MO 65102

LC014330113
Date Filed: 10/21/2021
John R. Ashcroft
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of \$105.00)

1. The name of the limited liability company is
Parkside Investors, LLC

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

The purposes for which the limited liability company is organized are the transaction of any or all lawful business for which a limited liability company may be organized under the Missouri Limited Liability Company Act.

3. The name and address of the limited liability company's registered agent in Missouri is:

<u>Isaac Freestone</u>	<u>2 South Main Street</u>	<u>Liberty, MO 64068</u>
<i>Name</i>	<i>Street Address: May not use PO Box unless street address also provided</i>	<i>City/State/Zip</i>

4. The management of the limited liability company is vested in: managers members *(check one)*

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer *(PO box may only be used in addition to a physical street address):*

(Organizer(s) are not required to be member(s), manager(s) or owner(s))

<i>Name</i>	<i>Address</i>	<i>City/State/Zip</i>
<u>Freestone, Isaac</u>	<u>2 S Main St</u>	<u>Liberty MO 64068-2323</u>

7. Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

New Series:

The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:
Name: <u>Kathryn Brinser</u>
Address: <u>Email: kbrinser@withersbrant.com</u>
City, State, and Zip Code: _____

8. Principal Office Address (OPTIONAL) of the limited liability company (PO Box may only be used in addition to a physical street address):

1539 Swift Ave

North Kansas City, MO 64116-3810

Address (PO Box may only be used in conjunction with a physical street address)

City/State/Zip

9. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

Isaac Freestone

ISAAC FREESTONE

10/21/2021

Organizer Signature

Printed Name

Date of Signature

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

Parkside Investors, LLC
LC014330113

filed its Articles of Organization with this office on the 21st day of October, 2021, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 21st day of October, 2021, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this 21st day of October, 2021.


Secretary of State



**OPERATING AGREEMENT
OF PARKSIDE INVESTORS, LLC,
a Missouri limited liability company**

THIS OPERATING AGREEMENT (hereinafter "**Agreement**"), of Parkside Investors, LLC, a Missouri limited liability company (hereinafter the "**Limited Liability Company**"), is made and entered into by and among the Limited Liability Company, and its Members, including, Cardinal Crest Development, LLC, a Missouri limited liability company (hereinafter "**Cardinal Crest**"), and the additional Members identified and set forth on **Schedule A** attached hereto (Cardinal Crest and the additional Members set forth on **Schedule A** are hereinafter referred to individually as a "**Member**" and collectively as "**Members**").

ARTICLE I. ORGANIZATION

Section 1.1. **Association**. The Members hereby associate themselves as members in a limited liability company formed under and pursuant to the Missouri Limited Liability Company Act (the "**Act**").

Section 1.2. **Name**. The business and affairs of the Limited Liability Company shall be conducted solely under the name of "**Parkside Investors, LLC**" and such name shall be used at all times in connection with the business and affairs of the Limited Liability Company.

Section 1.3. **Term**. The term of the Limited Liability Company shall be perpetual, unless sooner terminated as hereinafter provided.

Section 1.4. **Character of Business**. The business of the Limited Liability Company shall be the ownership, development, sale, rental, lease, exchange and/or operation of the Business Property (as hereinafter defined, including the operation and management of any development constructed thereon, and for any and such other lawful purposes as may be permitted by the Act.

Section 1.5. **Scope of Member's Authority**. Except as otherwise expressly and specifically provided in this Agreement, no Member shall have any authority to act for, or assume any obligations or responsibility on behalf of, any other Member or the Limited Liability Company.

Section 1.6. **Principal Place of Business**. The principal place of business of the Limited Liability Company shall be located at 1539 Swift, North Kansas City, Missouri 64116, or such other location(s) as is hereinafter determined by the Manager.

Section 1.7. **Annual Meeting**. An annual meeting of the Members may be held on the 15th day of January of each fiscal year, or if that day be a legal holiday, on the next succeeding day not a legal holiday, at which they shall transact such business as may properly be brought before the meeting. Special meetings may be called by either the Manager or by Members who own 51% or more of the Common Interests at any time, but only in accordance with the provisions of the Act.

Section 1.8. **Certain Definitions.** As used herein, the following terms have the following meanings:

(A) "Agreement" means this Operating Agreement, as amended, modified, or supplemented from time to time.

(B) "Bankruptcy" of a Member means that a Member (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in Bankruptcy; (iii) is adjudged a bankrupt or insolvent, or has entered against the Member an order for relief, in any Bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking for the Member's own self any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding of this nature; or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member's properties.

(C) "Business Property" means all property, assets and interests now or hereafter owned or held by the Limited Liability Company and is initially intended to include the proposed phased project(s) identified or referenced in Schedule B attached hereto.

(D) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(E) "Common Unit" or "Common Interest" means for each Member the percentage of common ownership in the Limited Liability Company set forth opposite such Member's name (together with accompanying stated Income Sharing Percentage) in Schedule A attached hereto. The Common Units have been issued by the Limited Liability Company for the aggregate par or stated sum of \$10.00 received or deemed received as agreed value consideration from the Members in proportion to their Income Sharing Percentages as set forth in Schedule A attached hereto and, in the books, and records of the Limited Liability Company. Each Member hereby represents and warrants to the Limited Liability Company, the Manager and to each other Member that (i) the Member is acquiring its Common Unit or Common Interest herein for such Member's own account as an investment and without an intent to distribute such Common Unit or Common Interest; and (ii) the Member acknowledges that its Common Unit or Common Interest has not been registered under the Securities Act of 1933 or any state securities law, and such Member's Common Unit or Common Interest may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirement and in compliance with the provisions of this Agreement.

(F) A Member's "Interest" in the Limited Liability Company means a Member's share of the profits and losses of the Limited Liability Company as set forth in this Agreement and includes a Member's Common Interest in the Limited Liability Company and the right to receive distributions of the assets of the Limited Liability Company as set forth in this Agreement, together

with the duties and obligations of such Member to comply with the terms and provisions of this Agreement.

(G) "Manager" means, initially, Cardinal Crest Development, LLC, and thereafter as elected by the Members pursuant to Section 6.1.

(H) "Member" means each original party to this Agreement and its respective permitted successors and assigns as Members hereunder.

(I) "Net Cash Flow" for the applicable period means the gross receipts of the Limited Liability Company during such period (including capital funds and loan proceeds) plus any reductions in funded "Reserves" (defined below) arising out of the reversal of such reserves, less the following (1) all cash expenditures made by the Limited Liability Company or which the Limited Liability Company is obligated to make in the operation of the business for or during such period, (2) all installments and payments of principal and interest and other sums and amounts paid or payable for or during the applicable or pertinent period on or in connection with secured or unsecured indebtedness of the Limited Liability Company, (3) cash expenditures for capital improvements and other capital items paid during such period, and (4) reasonable reserves (the "Reserves") in amounts determined by the Manager for imminent future costs, expenses and payments or for substantial costs or expenditures that are not likely to be covered out of future Net Cash Flow.

(J) "Limited Liability Company" means Parkside Investors, LLC, a Missouri limited liability company.

Section 1.9. **Additional Definitions.** The definitions in Section 1.8 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term "person" includes individuals, partnerships, corporations, limited liability companies, trusts and other associations. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "herein", "hereof", "hereunder" and similar terms shall refer to this Agreement, unless the context otherwise requires.

ARTICLE II. CAPITAL, LOANS AND CONTRIBUTIONS.

Section 2.1. **Initial Capital Contributions.** Capital contributions have been made to the Limited Liability Company by the Members for cash and other agreed valuable consideration as set forth in Schedule A attached hereto and in the books and records of the Limited Liability Company.

Section 2.2. Additional Capital Contributions.

(A) Certain Members identified in Schedule A attached hereto have agreed, and by their execution of this Agreement hereby agree, to contribute further cash as capital for the Limited Liability Company in the respective amounts set forth opposite such Members names in Schedule

A attached hereto. Such additional cash contributions shall be made by such Members to the Limited Liability Company as requested by the Manager.

(B) In addition to the initial capital contributions and the agreed additional cash capital contributions set forth in subparagraph (A) of this Section 2.2. above, if the Manager subsequently determines that the Limited Liability Company requires or is in need of additional capital contributions for any Limited Liability Company purpose, then the Members agree that the Manager, in its sole and absolute discretion, shall have the right and power on behalf of the Limited Liability Company, without further Member action, to raise additional capital for the Limited Liability Company through the issuance of additional Interests (and corresponding Units) or through the issuance of a new Class of Interests (and corresponding new class of Units) from existing or new Members. Such issuance of additional Interests (and Units) and the admission of new Members shall be on such terms and conditions as the Manager shall, in its sole and absolute discretion, deem appropriate. The amount credited to capital account(s) with respect to such additional capital contributions, and the Income Sharing Percentage allocated to such Member as a result thereof, shall be determined by the Manager, which determination shall be consistent with the purposes of this Agreement. This Agreement, including Articles III and IV, shall be amended consistent with the terms and conditions with respect to any additional Interests or Class of Interests created hereunder. The Manager does not need the approval or agreement of the Members (or any one or more of them) with respect to any additional capital contributions hereunder, the issuance of additional Interests or new Class(es) of Interests hereunder or the issuance of additional Common Units or new classes of Units as a result, the admission of a new Member hereunder, or any amendment to this Agreement that might, as a result of the foregoing, be required. Upon admission of a new Member or the issuance of additional Interests or Units hereunder, this Agreement, including Schedule A, shall be amended by the Manager accordingly.

(C) If the Manager determines to raise additional capital contributions in accordance with the provisions of subparagraph (B) of this Section 2.2. above, the Manager shall first provide each Member notice of the amount of additional capital contributions sought and the proposed terms and conditions of the Interests (and/or Units) to be issued. Within ten (10) days written notice from the Manager, each Member shall have the first right (but not the obligation) to participate in the additional contributions in proportionate to such Member's then current Income Sharing Percentage.

Section 2.3. **Distribution of Capital; No Interest on Capital.** Except as may be expressly provided elsewhere in this Agreement, (1) no Member shall be entitled to withdraw or to receive distributions of or against its capital contributions, without the prior consent of, and upon the terms and conditions agreed upon by all of the other Members; (2) no Member shall be paid interest on any capital contributions; and (3) no Member shall have any priority over other Members as to contributions or as to compensation by way of income.

Section 2.4. **Required Funds.** In addition to the provisions of Section 2.2(B) and 2.2(C) above, if the Manager determines that the Limited Liability Company requires funds to cover operating deficits, to make capital expenditures or for any other Limited Liability Company purpose, including expenditures for the development, maintenance and/or renovation of the

Business Property (collectively, the "Required Funds") the Required Funds, or any part thereof, may, if determined appropriate by the Manager, be borrowed or received in return for Common Interest by the Limited Liability Company from one or more Members or groups or from third parties on terms and conditions acceptable to a Supermajority-in-Interest of the Members.

Section 2.5. **Loans.** All advances to the Limited Liability Company by any Member or group, other than the capital contributions required by Sections 2.1, shall be deemed to be loans by such Member or group to the Limited Liability Company and, absent agreement otherwise, the Member or group making the same shall be entitled to interest thereon at the "Applicable Rate" (as defined below), and the same, together with interest as aforesaid, shall be repaid out of funds of the Limited Liability Company not otherwise required in the Limited Liability Company business but before any distribution under Article III hereof. For purposes hereof, "Applicable Rate" means the lesser of (a) a per annum rate that is two percentage points higher than the annual corporate base interest rate announced by Commerce Bank, N.A., of Kansas City during the period the applicable obligation is outstanding, as such base rate changes from time to time, or (b) the maximum interest that may be charged by such Member on such obligation under the applicable usury law (if any).

Section 2.6. **No Enforcement By Creditors.** The provisions of this Article shall not be enforced by any creditor of the Limited Liability Company and such creditors are not to be construed as third-party beneficiaries of any of the provisions set forth herein.

ARTICLE III. DISTRIBUTIONS.

Section 3.1. **Distributions of Net Cash Flow.** Distributions of Net Cash Flow may be made from time to time, if at all, as the Manager shall determine (in accordance with the provisions of this Agreement) to the Members in proportion to their then respective Income Sharing Percentages as set forth in Schedule A attached hereto, as the same may be amended; **PROVIDED** distributions of Net Cash Flow shall be made by the Manager not less frequently than annually after the close of each calendar year to the Members in proportion to their then respective Income Sharing Percentages as set forth in Schedule A attached hereto, as the same may be amended, in amounts reasonably determined by the Manager to approximate the federal and state income taxes at the highest effective tax rate attributable to allocation of profits with respect to the Common Interests.

Section 3.2. **Distributions to be Made in Cash.** All distributions to the Members shall be made in cash and no Member shall have the right to receive distributions of property other than cash.

ARTICLE IV. ALLOCATION OF PROFITS AND LOSSES.

Section 4.1. **Profits and Losses.** Subject to the provisions contained in Section 3.1 above, allocations of profits and losses, together with any applicable special and/or curative allocations (and their priority and/or adjustments), for each fiscal year shall be made in accordance with generally accepted accounting principles consistently applied and applicable regulations, in the

direction of the Manager, through the Limited Liability Company's accountants and/or tax advisors.

ARTICLE V. ACCOUNTING.

Section 5.1. **Accounting Methods; Tax Matters.** The Limited Liability Company books and records shall be prepared in accordance with generally accepted accounting principles on a tax basis, consistently applied, in the direction of the Manager. The Limited Liability Company shall be on the cash or accrual basis for both tax and accounting purposes as determined by the Manager. All Federal, State and local income tax returns of the Limited Liability Company shall be prepared under the direction of the Manager. Cardinal Crest Development, LLC is hereby designated as the Limited Liability Company's so-called "tax matters member" to serve with respect to the Limited Liability Company in the same capacity as a so-called "tax matters partner" as defined or previously defined in the Code and in such capacity is hereby authorized and empowered to act for and represent the Limited Liability Company and each of the Members before the Internal Revenue Service in any audit or examination of any Limited Liability Company tax return and before any court selected for judicial review of any adjustment assessed by the Internal Revenue Service. The Members specifically acknowledge, without limiting the general applicability of this Section, that the tax matters member shall not be liable, responsible or accountable in damages or otherwise to the Limited Liability Company or any Member with respect to any action taken by it in its capacity as the tax matters member. All out of pocket expenses incurred by the tax matters member in such capacity shall be considered an expense of the Limited Liability Company for which the tax matters member shall be entitled full reimbursement.

Section 5.2. **Fiscal Year.** The fiscal year of the Limited Liability Company shall end on the 31st day of December of each calendar year.

Section 5.3. **Bank Accounts.** The funds of the Limited Liability Company shall be deposited in such bank accounts or invested in such interest-bearing or noninterest-bearing investments, as shall be designated by the Manager.

ARTICLE VI. POWERS, RIGHTS AND DUTIES OF MANAGERS.

Section 6.1. **Management Authority and Duties.**

(A) The Limited Liability Company shall be managed by the Manager. The initial Manager is Cardinal Crest Development, LLC. Although Cardinal Crest Development, LLC is currently a Member, a Manager may be a Member but does not have to be a Member. The Manager shall serve until the Manager resigns or is removed. A Manager may be removed by the Members with or without cause during its term, but only if such removal is "Approved By the Supermajority-in-Interest of the Members" (as defined below).

Except only as otherwise expressly provided in subparagraph (B) below, the Manager shall have the sole and exclusive authority to manage and control all aspects of the Limited Liability Company and its business, including the Business Property and all of the operations and affairs of the Limited Liability Company, and shall have all of the rights and powers

of a Manager as provided in the Act and as otherwise provided by law, including, but not limited to making business judgments and/or decisions on behalf of the Limited Liability Company and by means of example, but not limitation:

(1) Keeping all books of account and other records of the Limited Liability Company in accordance with the terms of this Agreement.

(2) Preparing and delivering to each of the Members periodic reports, not less often than annually, of the state of the business and affairs of the Limited Liability Company.

(3) Having an annual set of financial statements of the Limited Liability Company's books prepared and furnishing each Member with a copy of a balance sheet and a statement of income, as soon as reasonably practicable after the close of the Limited Liability Company's fiscal year, but in no event later than the date required by the Limited Liability Company's lenders or mortgagees. In addition, within seventy-five (75) days after the end of each fiscal year, the Manager shall have accountants prepare and deliver to each Member a report setting forth in sufficient detail all such information and data with respect to business transactions affected by or involving the Limited Liability Company during such fiscal year as shall enable the Limited Liability Company and such Member to prepare his Federal, State and local income tax returns in accordance with the laws, rules and regulations then prevailing. The Manager shall have such accountants also prepare Federal, State and local tax returns required of the Limited Liability Company and shall file the same. The Manager shall also furnish to each Member such other reports on the Limited Liability Company's operations and conditions as may be reasonably required by any Member.

(4) To the extent that funds of the Limited Liability Company are available therefor, paying all debts and other obligations of the Limited Liability Company including amounts due under permanent and other loans to the Limited Liability Company.

(5) Maintaining all funds of the Limited Liability Company held by the Manager in accounts and in a bank or banks designated by the Manager.

(6) Making distributions periodically to the Members in accordance with the provisions of this Agreement.

(7) Performing all business functions and otherwise operating and managing the business and affairs of the Limited Liability Company in accordance with this Agreement and doing or causing to be done any and all lawful things for and on behalf of the Limited Liability Company, exercising or causing to be exercised any or all of its powers, privileges and franchises, and seeking the effectuation of the Limited Liability Company's objects and purposes, including

the power to authorize any transaction, agreement or action on behalf of the Limited Liability Company that is within the ordinary course or the business of the Limited Liability Company.

(8) Supervising the acquisition, development, construction, management and/or operation of the Business Property.

(9) Performing other obligations provided elsewhere in this Agreement to be performed by the Manager.

(10) Acquiring any real property or interest therein, and any ownership or membership interests in the owner(s) thereof not to exceed One Hundred Thousand Dollars (\$100,000) in cost. Any acquiring of real property which exceeds One Hundred Thousand Dollars (\$100,000) in cost, shall require approval by Supermajority-in-Interest of the Members.

(11) Borrowing, financing or refinancing of any mortgage, deed of trust or other security instrument on or encumbering all or any part of the Business Property or otherwise.

(12) Leasing all or any portion of the Business Property.

(13) Determining whether or not distributions should be made to the Members, except as set forth in Section 3.1.

(14) Making or implementing any other decision or action which by any provision of this Agreement is required to be or may be made by the Manager.

(B) Notwithstanding the foregoing provisions of this Section or anything to the contrary contained in this Agreement, no act shall be taken, sum expended, decision made or obligation incurred by the Limited Liability Company or the Manager with respect to a matter within the scope of any of the Member Decisions (hereinafter called "Member Decisions") as enumerated below, unless such Member Decision has been "Approved By the Supermajority-in-Interest of the Members" (as defined below) entitled to vote.

The Member Decisions are:

(a) Approving a merger or consolidation;

(b) Changing the status of the Limited Liability Company to a member-managed limited liability company; and

(c) Selling or transferring all or substantially all of the Business Property and assets of the Limited Liability Company.

(C) When the phrase "Approved By the Supermajority-in-Interest of the Members" is used in this Agreement, such phrase shall mean approved by the Members entitled to vote who own at least 64% of the Common Interests. A Member's approval of any act or determination shall be effective whether or not such Member's vote is cast at a meeting of Members (and whether or not all of the Members are in attendance at any such meeting), or whether by formal or informal, oral or written instructions of such Member. In no event shall a Member who is in default under this Agreement at the time a vote is taken or a decision is made be entitled to vote in respect of any act, determination or decision of the Limited Liability Company.

(D) Persons dealing with the Limited Liability Company with respect to the Business Property or otherwise are entitled to rely conclusively on the power and authority of the Manager as set forth in this Agreement, including, the execution of documents and any other actions taken in effecting decisions reached in accordance with subparagraph (B) above.

Section 6.2. **Conflicts of Interest.** The Manager shall not be required to manage the Limited Liability Company as its sole and exclusive function, and the Manager may have other business interests and may engage in other activities in addition to those relating to the Limited Liability Company, including the making or management of other investments. Without limitation on the generality of the foregoing, each Member recognizes that the others invest, operate, transfer, lease and otherwise use real property and interests therein for profit, and engage in any and all activities related or incidental thereto, and that they will make other investments consistent with such purposes. Neither the Limited Liability Company nor any Member shall have any right by virtue of this Agreement or the relationship created hereby in or to any other ventures or activities in which any Member or the Manager is involved or to the income or proceeds derived therefrom, and the pursuit of other ventures and activities by any Member or Manager is hereby consented to by the other Members and shall not be deemed wrongful or improper. Except as otherwise provided in this Agreement or in any agreement between the Members, no Member or Manager shall be obligated to present any particular investment opportunity to the Limited Liability Company even if such opportunity is of a character which if presented to the Limited Liability Company would be taken by the Limited Liability Company, and such Member or Manager shall have the right to take for his own account, or to recommend to others, any such particular investment opportunity.

Section 6.3. **Contracts With Members and Affiliates.** The Limited Liability Company through the Manager may enter into agreements with any Member or affiliate of a Member or Manager including Cardinal Crest Commercial, LLC, as determined by the Manager, in its sole and absolute discretion, unless such agreement would create a conflict of interest between any Member or between the Manager and any Member in which case the Manager must obtain approval by the Supermajority-in-Interest of the Members.

Section 6.4. **Liability of Manager or Members.** No Member and no Manager shall be liable, responsible, or accountable, in damages or otherwise, to the Limited Liability Company or the Members, for any action taken or by the reason of the failure to act on behalf of the Limited Liability Company within the scope of the authority conferred on such Member or Manager by

this Agreement or by law, unless such action or omission was performed or omitted fraudulently or with deliberate dishonesty or constituted wanton and willful misconduct.

Section 6.5. Indemnification of Manager and Members.

(A) The Limited Liability Company shall indemnify and hold harmless the Members and the Manager, and their agents, from and against any loss, expense, damage, or injury suffered or sustained by reason of any acts, omissions, or alleged acts or omissions in their capacities as Members or Manager(s) hereunder arising out of its activities on behalf of the Limited Liability Company or in furtherance of the interests of the Limited Liability Company, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees, and other costs and expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; **PROVIDED**, that the acts, omissions, or alleged acts or omissions upon which such actual or threatened action, proceeding, or claims were not performed or omitted because of fraud, deliberate dishonesty or wanton and willful misconduct. Expenses (including attorney's fees) reasonably incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, investigative, or appellate, shall be paid by the Limited Liability Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person or entity to repay such amount(s) to the Limited Liability Company if it shall be determined ultimately that such person or entity is not entitled to indemnification by the Limited Liability Company. In no event shall any advance be made in instances where the Manager or independent legal counsel for the Limited Liability Company reasonably determines that such person or entity would not be entitled to indemnification hereunder.

(B) To the extent that a present or former Member, Manager, officer, employee or agent of the Limited Liability Company has been successful on the merits or otherwise as a plaintiff in an action to determine that the plaintiff is a Member of the Limited Liability Company or in defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or entity is or was a Member, Manager, officer, employee or agent of the Limited Liability Company, or is or was serving at the request of the Limited Liability Company as a Member, Manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, or in defense of any claim, issue, or matter therein, such Member, Manager, officer, employee or agent shall be indemnified by the Liability Company against expenses actually and reasonably incurred by such person or entity in connection therewith, including attorney fees.

Section 6.6. Compensation and Reimbursement of Members.

(A) Except as otherwise set forth herein, the Limited Liability Company shall not pay any Member any salary or other compensation for acting as a Member hereunder or for any service rendered to the Limited Liability Company.

(B) The Manager shall be reasonably compensated and reimbursed by the Limited Liability Company for all reasonable out-of-pocket expenses incurred in connection with the

discharge of obligations under this Agreement or otherwise incurred on behalf of the Limited Liability Company.

Section 6.7 Tax Compliance

(A) Withholding. If the Limited Liability Company is required by law or regulation to withhold and pay over to a governmental agency any part or all of a Distribution or allocation of Profit to a Member:

(1) the amount withheld will be considered a Distribution to the Member; and

(2) if the withholding requirement pertains to a Distribution in kind or an allocation of Profit, the Limited Liability Company will pay the amount required to be withheld to the governmental agency and promptly take such action as it considers necessary or appropriate to recover a like amount from the Member, including offset against any Distributions to which the Member would otherwise be entitled.

(B) Tax Matters Member. The Tax Matters Member for the Company shall be governed by the provisions set forth below:

(1) Joseph J. Christensen is hereby designated the Tax Matters Member (as defined in Section 6231(a)(7) of the Code) on behalf of Limited Liability Company. The Limited Liability Company may remove any Tax Matters Member, with or without cause, and designate a successor to any Tax Matters Member who for any reason ceases to act. A Member is eligible to serve as the Tax Matters Member only if (i) the Member is then serving as a Manager or (2) no Member is then serving as a Manager.

(2) The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as Tax Matters Member by giving notice thereof on or before the tenth (10th) business day after becoming aware thereof and, within that time, shall forward to each Member copies of all significant written communications that it may receive in that capacity.

(3) The Tax Matters Member shall from time to time cause the Limited Liability Company to make such tax elections as the Manager deems to be in the best interest of the Limited Liability Company; provided, however, that the Tax Matters Member shall have no right to extend the statute of limitations for assessing or computing any tax liability against the Limited Liability Company or the amount of any Limited Liability Company tax item, without the unanimous consent of the Members.

(4) If the Tax Matters Member elects to file a petition for readjustment of any Limited Liability Company tax item (in accordance with Code Section 6226(a)) such petition shall be filed in the United States Tax Court unless the Members unanimously agree otherwise.

(5) The Tax Matters Member shall, within ten (10) business days after receipt thereof, forward to each Member a photocopy of any correspondence relating to the Limited Liability Company received from the Internal Revenue Service. The Tax Matters Member shall, within ten (10) business days thereof, advise each Member in writing of the substance of any conversation held with any representative of the Internal Revenue Service.

(6) The Tax Matters Member shall cause to be prepared and filed on a timely basis all necessary federal, state, and local tax returns of the Limited Liability Company and shall cause the Limited Liability Company to distribute on a timely basis all Schedules K-1 or other tax information or information returns that the Members shall require or request. Each Member shall furnish all relevant information in his, her, or its possession relating to the Limited Liability Company that is necessary to enable the Tax Matters Member to fulfill the duties imposed under this Agreement.

(7) Any reasonable costs incurred by the Tax Matters Member for retaining accountants and/or lawyers on behalf of the Limited Liability Company in connection with any Internal Revenue Service audit of the Limited Liability Company shall be expenses of the Limited Liability Company. Any accountants and/or lawyers retained by the Company in connection with any Internal Revenue Service audit of the Limited Liability Company shall be selected by the Tax Matters Member and the fees therefor shall be expenses of the Company.

(C) Partnership Representative. If the Limited Liability Company is taxed as a partnership, or if the context otherwise requires, the following provisions shall apply:

(1) This Section 6.7 shall apply for tax years beginning after the Effective Date.

(2) For purposes of this Section 6.7, unless otherwise specified, all references to provisions of the Code shall be to such provisions as enacted by the Bipartisan Budget Act of 2015 (the "BBA") as such provisions may subsequently be modified.

(3) The Person designated as Tax Matters Member pursuant to Section 6.7(B) shall be the Company's designated "partnership representative" within the meaning of Section 6223 of the Code (the "Tax Representative") with sole authority to act on behalf of the Limited Liability Company for purposes of Subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws. The Tax Representative shall possess all authority granted to the Tax Matters Member pursuant to this Agreement.

(4) If the Limited Liability Company qualifies to elect pursuant to Code Section 6221(b) (or any successor provision) to have Subchapter C of Chapter 63 of the Code not apply to any federal income tax audits and other proceedings, the Tax Representative shall cause the Company to make such election, unless otherwise directed by a majority of the Members in writing.

(5) If any “partnership adjustment” (as defined in Code Section 6241(2)) is determined with respect to the Limited Liability Company, the Tax Representative shall promptly notify the Members upon receipt of a notice of final partnership adjustment, and shall take such actions as directed by a majority of the Members in writing, within ten (10) business days after receipt of such notice, including whether to file a petition in Tax Court, cause the Limited Liability Company to pay the amount of any such adjustment under Code Section 6225, or make the election under Code Section 6226.

(6) If any partnership adjustment (as defined in Code Section 6241(2)) is finally determined with respect to the Limited Liability Company and the Tax Representative has not caused the Limited Liability Company to make the election under Code Section 6226, then (i) the Members shall take such actions requested by the Tax Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2); (ii) the Tax Representative shall use commercially reasonable efforts to make any modifications available under Code Section 6225(c)(3), (4), and (5); and (iii) any “imputed underpayment” (as determined in accordance with Code Section 6225) or partnership adjustment that does not give rise to an imputed underpayment shall be apportioned among the Members of the Limited Liability Company for the taxable year in which the adjustment is finalized in such manner as may be necessary (as determined by the Tax Representative in good faith) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment, any associated interest and penalties, and any expenses incurred by the Tax Representative or by the Limited Liability Company with respect to any Internal Revenue Service audit of the Limited Liability Company, including, without limitation, expenses incurred for services of accountants and/or lawyers, are borne by the Members based upon their interests in the Limited Liability Company for the reviewed year.

(7) If any subsidiary of the Limited Liability Company (i) pays any partnership adjustment under Code Section 6225; (ii) requires the Limited Liability Company to file an amended tax return and pay associated taxes to reduce the amount of partnership adjustment imposed on the subsidiary; or (iii) makes an election under Section 6226, the Tax Representative shall cause the Limited Liability Company to make the administrative adjustment request provided in Code Section 6227 consistent with the principles and limitations set forth in Sections 6.7(C)(5) and 6.7(C)(6) above for partnership adjustments of the Limited Liability Company, and the Members shall take such actions reasonably requested by the Tax Representative in furtherance of such administrative adjustment request.

(8) Each Member shall furnish such information as is reasonably requested by the Tax Representative.

(9) The obligation of each Member or former Member under this Section 6.7 shall survive the transfer or redemption by such Member of its Membership

Interests and the termination of this Agreement or the dissolution of the Limited Liability Company.

(10) Any reasonable costs incurred by the Tax Representative for retaining accountants and/or lawyers on behalf of the Company regarding any Internal Revenue Service audit of the Limited Liability Company shall be expenses of the Limited Liability Company, and shall not be borne personally by the Tax Representative. Any accountants and/or lawyers retained by the Limited Liability Company regarding any Internal Revenue Service audit of the Limited Liability Company shall be selected by the Tax Representative and the fees therefor shall be expenses of the Company, subject to allocation pursuant to Section 6.7(C)(6) above.

(11) The Limited Liability Company shall indemnify the Person serving as the Tax Matters Partner or Tax Representative, with respect to matters relating to the Persons serving in that capacity, to the same extent as the Limited Liability Company is obligated to indemnify an officer, Manager or Member pursuant to this Agreement.

ARTICLE VII. TRANSFER OF MEMBERSHIP INTERESTS

Section 7.1. **Restrictions.** Except as otherwise set forth herein, no sale or assignment shall be made by any Member of the whole or any part of its Interest in the Limited Liability Company, and no encumbrance or hypothecation shall be made thereof unless such encumbrance or hypothecation is approved by the Manager. Notwithstanding anything to the contrary set forth herein, if any Interest is transferred or assigned, in whole or in part, by any Member, the assignee of the Interest shall not be entitled to participate in the management of the business and affairs of the Limited Liability Company or to become or exercise the rights of a Member, unless such assignment or transfer is approved by the Manager.

Section 7.2. **Right of First Refusal.**

(A) Before a Member (the "Selling Member") may sell all or any part of its Limited Liability Company Interest (such whole or partial Interest, as the case may be, constituting the "Offered Interest"), the Selling Member shall, except as set forth in paragraph (B) below, give notice ("Offer Notice") to the Manager and the other Members of such proposed sale, which notice shall include a copy of a letter of intent (which may be non-binding) with the proposed purchaser setting forth the purchase price and the terms of payment of the proposed sale. The other Members shall have 30 days after receipt of the Offer Notice to elect, by giving written notice to the Selling Member, to acquire pro rata in the ratio that each such Member's Income Sharing Percentage bears to the aggregate Income Sharing Percentages owned by all of such Members who elect to purchase, all or any part of the Offered Interest for the purchase price and upon the terms specified in the Offer Notice, and shall have 90 days after receipt of the Offer Notice to close such sale. Notwithstanding anything to the contrary in the foregoing, unless an election has been made under this paragraph (A) to acquire all of the Offered Interest, the Selling Member shall not be required to sell any part of such Offered Interest to any electing Member and may conclude a sale of the entire Offered Interest to the proposed purchaser or, at his option, may sell so much of the Offered

Interest to the electing Members (at the time(s) specified above) as they have elected to purchase, and conclude a sale of the remainder of such Offered Interest to the proposed purchaser. Any sale to the proposed purchaser under this provision may be concluded at any time or times within 180 days after the giving of the Offer Notice, for a purchase price and on terms which are at least as favorable to the Selling Member as those contained in the Offer Notice; but if a sale is not consummated within such period, then the rights of the other Members to notice and purchase as aforesaid shall continue as to any new sale. The purchase price for the sale of an Offered Interest (or applicable part thereof) to a person pursuant to this paragraph shall be payable entirely in cash.

(B) All Interests in the Limited Liability Company transferred, assigned or bequeathed pursuant to the provisions of this Article shall be subject to the restrictions and obligations set forth in this Agreement.

Section 7.3. **Right to Purchase Upon Triggering Events.** In the event of the Bankruptcy, resignation, death, dissolution, expulsion, or withdrawal contrary to the provisions of this Agreement (the "Dissolution Event") of a Member (the "Withdrawing Member"), the Limited Liability Company shall have the option to redeem if such redemption is Approved By the Members, or if such redemption is not so Approved By the Members, the remaining Members shall have the option (on a prorata basis if more than one Member desires to exercise the option), exercisable (by written notice to Withdrawing Member or its personal representatives, successors or assigns) at any time within 180 days after they learn of the Dissolution Event to purchase the Interest of the Withdrawing Member on the terms hereinafter set forth (such option being herein called the "Limited Liability Company Purchase Option"). Nothing herein shall be deemed to require the Limited Liability Company or such remaining Members to exercise such option.

In the event of the exercise of the Limited Liability Company Purchase Option, the consideration for the Withdrawing Member's Interest shall be the amount (if any) that will produce for the Withdrawing Member the same amount in cash as he would have received if the Business Property owned by the Limited Liability Company at the date on which the Dissolution Event occurs had been sold at its then fair market value and the Limited Liability Company had been dissolved and wound up following such sale. The fair market value of such Business Property shall be as agreed upon by the Members, or if they fail to agree upon such value within 30 days after the giving of the Purchase Option Notice, then as determined by an independent appraiser selected by the remaining Members, the determination of such appraiser to be final, conclusive and binding upon the parties. Notwithstanding anything to the contrary contained herein, if the Withdrawing Member is in violation of this Agreement by virtue of his withdrawal or is fired from his employment with the Limited Liability Company, then (i) the good will of the Limited Liability Company shall be excluded in determining the fair value of the Withdrawing Member's interest; (ii) in addition to any remedies otherwise available under applicable law, the amount payable to the Withdrawing Member shall be reduced by any damages suffered by the Limited Liability Company or its Members as a result of the Withdrawing Member's breach of this Agreement and/or his employment agreement with the Limited Liability Company, and (iii) the Limited Liability Company may defer payment of the amount the Withdrawing Member is entitled to receive hereunder for such period, and shall secure the same by such collateral, as may be approved by the parties or a court in order to prevent unreasonable hardship to the Limited Liability Company.

Notwithstanding the provisions of the preceding paragraph, the Members and the Limited Liability Company may at any time fix the purchase price for the Limited Liability Company Purchase Option by filing with the Manager a certificate of agreed value signed by the Limited Liability Company and each Member. Any certificate of agreed value shall contain the name of the Limited Liability Company, a statement as to the agreed purchase price, and an effective date. If at any time when it becomes necessary to determine the purchase price for the Limited Liability Company. The Members and the Limited Liability Company may at any time execute a new certificate of agreed value which shall automatically replace all prior certificates of agreed value, and in no event shall any but the last certificate of agreed value be effective, if at all, for the purpose herein specified.

The remaining Members may assign their rights under this Section 7.3 to purchase the Withdrawing Member's Interest. Any sum payable for the Withdrawing Member's Interest as hereinabove determined must be paid by certified or cashier's check within 60 days after the determination of the amount of the same as aforesaid. Concurrently with the payment of such sum (or if no amount shall be payable for such interest, then upon demand of the assignee) the assignors of such interest shall deliver or cause to be delivered to the remaining Members (or their assignees) such assignments of the Interest and other instruments and documents confirming the assignment, transfer and relinquishment of all claims, rights and interest in, to and against the Limited Liability Company and/or its assets as the remaining Members (or their assignee) shall reasonably request. The acquisition of such Interest as aforesaid shall be deemed effective as of the date on which the Dissolution Event occurred ("Dissolution Event Date") and, accordingly, the remaining Members shall be entitled to all profits and losses under Article IV (and items thereof) and distributions of Net Cash Receipts or other items for any period after the Dissolution Event Date.

Section 7.4. **Excepted Transfers**. Notwithstanding anything to the contrary set above in Sections 7.2 and 7.3, each Member hereby consents to the transfer of any membership interest hereunder, whether directly or indirectly, by sale, assignment, gift, devise or other manner, to any person(s) who is a spouse or lineal descendent of any person(s) who is an owner of an Interest or an ownership interest of a Member as of the date of this Agreement, or to any trust for the benefit of such person(s)(collectively, the "Excepted Parties" and individually, the "Excepted Party"); and no right of first refusal or other right or option to purchase contained in Sections 7.2 and 7.3 shall be applicable to any such transfer to such Excepted Parties unless specifically agreed to by such Excepted Party in a separate writing subsequently entered into by such Excepted Party.

Section 7.5. **Effect of Assignment; Documents**. Unless otherwise agreed by the Members (in accordance with Section 6.1 (B)) or expressly provided herein, no sale, assignment or transfer permitted hereunder shall relieve the assignor from any of its obligations under this Agreement accruing prior to such sale, assignment or transfer. As a condition to any sale, transfer or assignment permitted hereunder, the transferee or assignee must execute this Agreement (as amended) and agree to be bound by all of its terms and provisions, pay the Limited Liability Company for its legal and accounting expenses incurred in connection therewith and reimburse the Limited Liability Company for all costs incurred in connection with the preparation and filing of any documents necessary or appropriate to reflect the status of such transferee or assignee as a Member. Upon the satisfaction of the foregoing conditions, the Members shall, in accordance with

and to the extent required by the Act or other applicable law, file all necessary or appropriate documents (if any) and the transferee or assignee shall become a substituted Member.

Section 7.6. **Adjustment of Interest Allocation Upon Triggering Event.** Each Member agrees that their Interest shall be equally adjusted to grant Cardinal Crest Development, LLC, an additional five percent (5%) Interest (in accordance with *Schedule A(1)*) upon the completion of Cardinal Crest Development, LLC, achieving the proposed budget and schedule for the construction project..

ARTICLE VIII. DISSOLUTION OF THE LIMITED LIABILITY COMPANY.

Section 8.1. **Dissolution Acts.** No act, thing, occurrence, event or circumstance shall cause or result in the dissolution of the Limited Liability Company, except the happening of any one of the following events shall work an immediate dissolution of the Limited Liability Company:

(A) The agreement in writing by the Manager or the Members who own at least 64% of the Common Interests to dissolve the Limited Liability Company;

(B) Upon the entry of a decree of dissolution with respect to the Limited Liability Company by a court of competent jurisdiction.

Without limitation in respect of the other provisions hereof, neither the assignment of all or any part of a Member's Interest permitted hereunder, the admission of a new Member, nor the death, retirement, resignation, expulsion, Bankruptcy or dissolution of any Member shall work the dissolution of the Limited Liability Company. Except as otherwise provided in this Agreement, each Member agrees that without the consent of the other Members, a Member may not withdraw from or cause a voluntary dissolution of the Limited Liability Company.

Section 8.2. **Right to Discontinue Business of the Limited Liability Company.** In the event of the death, expulsion, Bankruptcy or dissolution of any Member, then within 90 days following the occurrence of any such event, the remaining Members of the Limited Liability Company who own at least 64% of the then current Common Interests, may agree in writing to dissolve the Limited Liability Company, in which event, the Limited Liability Company shall be dissolved.

Section 8.3. **Winding-Up.** In the event of the dissolution of the Limited Liability Company for any reason, the Manager (or the other Members if there has been a Dissolution Event(s) with respect to the Managers) shall commence to wind up the affairs of the Limited Liability Company and to liquidate the investments. The Manager or Member(s) obligated to wind up the affairs of the Limited Liability Company as aforesaid are herein called the "Liquidating Trustee(s)". The Members shall continue to share profits, losses (and items thereof) and Net Cash Flow during the period of liquidation in the same manner and proportion as though the Limited Liability Company had not dissolved. The Supermajority-in-Interest of the Members or remaining Members shall have full right and unlimited discretion to determine in good faith the time, manner and terms of any sale or sales of Limited Liability Company property pursuant to such liquidation, having due

regard to the activity and condition of the relevant market and general financial and economic conditions.

Section 8.4. **Distribution of Proceeds on Dissolution**. Upon the dissolution and termination of the Limited Liability Company, the Liquidating Trustee(s) shall proceed with the liquidation of the Limited Liability Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice, and the proceeds therefrom (the "Dissolution Proceeds") to the extent sufficient therefor, shall be applied and distributed in the following order or priority:

(A) First, all of the Limited Liability Company's debts, liabilities and obligations (excluding any loans or advances by the Members) shall be paid in full;

(B) Second, the Limited Liability Company's debts and liabilities for loans or advances by the Members shall be paid, but if the amount available therefor shall be insufficient, then pro rata on account thereof; and

(C) Third, the balance, if any, shall be distributed to the Members in proportion to their respective positive capital accounts after taking into account all allocations of income and gain through the liquidation process.

Section 8.5. **No Liability**. Each Member shall look solely to the assets of the Limited Liability Company for all distributions with respect to the Limited Liability Company and his or its capital contributions thereto and share of the profits or losses thereof, and shall have no recourse thereof (in the event of any deficit in the Member's capital account or otherwise) against any Member; PROVIDED, that nothing herein contained shall relieve any Member of such Member's obligation to make the capital contributions herein provided or to pay any liability or indebtedness owing the Limited Liability Company by such Member and the Limited Liability Company and the other Members shall be entitled at all times to enforce such obligations of such Member. No holder of a Limited Liability Company Interest shall have any right to demand or receive property other than cash upon dissolution and termination of the Limited Liability Company.

Section 8.6. **Termination**. Upon the completion of the liquidation of the Limited Liability Company and the distribution of all Limited Liability Company funds, the Limited Liability Company shall terminate and the Liquidating Trustee(s) shall have the authority to execute and record any and all documents required to effectuate the dissolution.

ARTICLE IX. GENERAL

Section 9.1. **Notices**. Any notice, request, approval, consent, demand or other communication required or permitted hereunder shall be given in writing by (a) personal delivery, or (b) expedited delivery or overnight service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, sent to the party to whom the communication is directed at the address shown in Schedule A attached hereto, as may be

amended, or to such different address as the addressee shall have designated by written notice sent in accordance herewith. Notices given by personal delivery or expedited delivery or overnight service shall be deemed given and received on the date of actual receipt by the addressee. Notices given by registered or certified mail shall be deemed given on the date of registration or certification thereof and shall be deemed received on the earlier of (a) the date of the return receipt thereof, or (b) 3 days after deposit of the same in the mail.

Section 9.2. **Amendment.** No amendment to this Agreement shall be binding upon a party hereto unless set forth in a document duly executed by or on behalf of such party.

Section 9.3. **Security Agreements.**

(A) For the sole purpose of securing each Member's agreements, covenants, warranties, obligations, and indemnities under this Agreement, each Member ("Granting Member") shall and does hereby assign and transfer to the Limited Liability Company and to each other Member, all of Granting Member's right, title and interest in and claims against the Limited Liability Company now or at any time or times hereafter held, including, but not limited to, its interest in the capital and the profits and losses of the Limited Liability Company. The property and interest assigned and transferred as aforesaid shall constitute and shall be held as collateral security for each and all of the agreements, covenants, warranties, obligations, and indemnities of such Granting Member under or in connection with this Agreement, and each Granting Member hereby grants to the Limited Liability Company and to each other Member a security interest in the property and interests assigned and transferred as aforesaid for such purposes.

(B) If Granting Member shall breach or default in, or fail to comply with, any of its obligations secured hereby, then the Limited Liability Company and the Member to whom the security for such obligations shall have been granted hereunder, or any of them, may (1) pursue the remedies against the property and interests transferred and assigned hereunder available under the applicable provisions of law, including the applicable provisions of any state commercial code, and (2) cause to be paid to it or them any sum payable on account of or with respect to the property and interests assigned as security as aforesaid (including, but not limited to any distribution with respect to a Limited Liability Company interest in the Limited Liability Company) and apply such sum to the amount to which the Limited Liability Company and a Member, or either of them, are or become entitled with respect to the obligation or obligations secured hereunder.

(C) The foregoing is not intended, however, to limit a Member's right to receive distributions hereunder prior to the occurrence of a breach or default not cured within the applicable cure period, if any, of the obligations secured by the assignment of such Member under this Section. The rights and remedies of a Member provided under Paragraph (A) above shall not limit, but shall be in addition to such Member's other rights and remedies (including, but not limited to, those provided by law and those provided by any other agreement).

(D) Each Member shall execute and cause to be filed such financing statements as the Limited Liability Company or any other Member shall from time-to-time reasonably request to perfect or maintain the perfection of the security interests herein granted to the Limited Liability

Company or such Member hereunder. Each Member shall have priority to the Limited Liability Company with respect to the rights assigned hereunder.

Section 9.4. **Miscellaneous.** This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties respecting such matters. Time is of the essence of this Agreement. Paragraph headings and captions shall not be used in construing this Agreement. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder may be given or withheld in the absolute discretion of such party. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, successors and assigns. If any provision of this Agreement or the application of such provision to other persons or circumstances shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

Each Member acknowledges that none of the Common Units have been registered under the Securities Act of 1933, as amended, or any other federal or state security law, and each Member represents to the other and the Limited Liability Company that any Common Unit acquired by any Member hereunder is being acquired for investment purposes only and not for the purpose of distribution or resale. Nothing contained herein shall require the Limited Liability Company to cause any Common Unit to be registered. Each Member understands the nature of their ownership interest and investment herein and the financial risks thereof, and each Member expressly acknowledges and agrees that such Member has been offered and afforded access to and disclosure of all documentation and other information deemed material by such Member prior to Member's ownership interest herein.

Section 9.5. **Further Misc. Matters; Waiver of Jury Trial.** If the Limited Liability Company or any other party obtains a judgment against any other party by reason of a breach of this Agreement or failure to comply with the provisions hereof, a reasonable attorneys' fee as fixed by the court shall be included in such judgment. Any Member shall be entitled to maintain, on its own behalf or on behalf of the Limited Liability Company, any action or proceeding against any other Member or the Limited Liability Company (including, without limitation, any action for damages, specific performance or declaratory relief) for or by reason of a breach by such party of this Agreement, or any other agreement entered into in connection with the same, notwithstanding the fact that any or all of the parties to such proceeding may then be Members in the Limited Liability Company, and without dissolving the Limited Liability Company as a Limited Liability Company; **PROVIDED** that each Member hereby irrevocably waives any and all rights that it may have to maintain any action for partition of any of the Business Property.

To the extent feasible, the parties desire to resolve any controversies or claims arising out of or relating to this Agreement through discussions and negotiations among or between each other. In the event that, after good faith discussions, such controversies or claims cannot be resolved solely among or between the parties, the parties agree to submit such controversies or

claims to non-binding mediation prior to the institution of any legal action thereon. Thereafter, the parties may further agree, but shall not be obligated, to pursue any other type of formal or informal dispute resolution that is feasible under the circumstances, including referral of any such dispute, controversy or claim to any third party for resolution.

No remedy conferred upon the Limited Liability Company, or any Member in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No waiver by a Member of the Limited Liability Company of any breach of this Agreement shall be deemed to be a waiver of any breach of any like kind or nature and no acceptance of payment or performance by a Member or the Limited Liability Company after any such breach shall be deemed to be a waiver of any breach of this Agreement whether or not such Member or the Limited Liability Company knows of such breach at the time it accepts such payment or performance. No failure or delay on the part of a Member or the Limited Liability Company to exercise any right it may have upon a breach of this Agreement shall prevent the exercise thereof by such Member or the Limited Liability Company at any time during the continuation of the default, and no such failure or delay shall operate as a waiver of any default.

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THE RIGHT TO A TRIAL BY JURY FOR ANY ACTIONS ARISING OUT OF THIS AGREEMENT OR ARISING OUT THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT. In the event of a dispute, controversy or claim arising out of this Agreement or the relationship of any of the parties to this Agreement, including any Member or Manager, each of the parties hereby agree and expressly submit and consent to the exclusive in persona jurisdiction and exclusive venue of the state and federal courts of competent jurisdiction located solely in Clay County, Missouri, with respect to such dispute, controversy or claim.

Section 9.6 **Representation of Counsel**. Each Member hereby acknowledges and agrees that (i) The Smith Law Group, P.C. and Withers, Brant, Igoe and Mullennix, P.C. (collectively, the “Attorneys”) have prepared this Agreement at the request of Cardinal Crest Development, LLC and its accountants and tax advisors Mize CPA’s, Inc., and as counsel solely for Cardinal Crest Development, LLC; and (ii) the Attorneys have recommended that all other Members obtain and engage their individual separate counsel and accountants and tax advisors to review this Agreement and the other organizational and prior company documents of the Limited Liability Company on such other Member’s behalf.

{Remainder of Page Intentionally Left Blank-Signature Pages/Schedules Follow }

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of _____, 2021.

LIMITED LIABILITY COMPANY:

PARKSIDE INVESTORS, LLC,
a Missouri limited liability company,

By its Manager:

Cardinal Crest Development, LLC, a Missouri limited liability company

By:  _____
Printed Name: Joe Christensen
Principle
Its: _____

MEMBERS:

CARDINAL CREST DEVELOPMENT, LLC
a Missouri limited liability company

By:  _____
Printed Name: Joe Christensen
Principle
Its: _____

(Signature Page for Remaining Members is on Following Page)

Signature Page for Additional Members

For Entities:

Name of Entity: Trejo Investments, LLLP

Name: DocuSigned by: *Jon Trejo*
Title: CEO
Date: 11/17/2021

Name of Entity: RJT-WCC, LLC

Name: DocuSigned by: *CJT*
Title: Cameron Trejo
Date: 11/16/2021

Name of Entity: JCT-WCC, LLC

Name: DocuSigned by: *Jon Trejo*
Title: manager
Date: 11/17/2021

Name of Entity: Michael V. Christensen

Family Trust
Name: DocuSigned by: *Mike Christensen*
Title: Trustmaker
Date: 11/13/2021

Name of Entity: Jeravae Christensen

Family Trust
Name: DocuSigned by: *JC*
Title: Trustmaker
Date: 11/13/2021

Name of Entity: KBH Ventures, LLC

Name: DocuSigned by: *Brian Hancock*
Title: President
Date: 11/13/2021

Name of Entity: David and Jada Christensen Trust

Name: DocuSigned by: *David Christensen*
Title: Trustee
Date: 11/13/2021

Name of Entity: The Jared and Natalie Christensen Trust

Name: DocuSigned by: *Jared Christensen*
Title: Inv
Date: 11/15/2021

Name of Entity: The David and Joan Baldwin Trust

Name: DocuSigned by: *David Baldwin*
Title: Trustee
Date: 11/12/2021

Name of Entity: Context Consulting, Inc

Name: DocuSigned by: *Dennis McEwen*
Title: President
Date: 11/12/2021

Name of Entity: CC Parkside Development, LLC

Name: DocuSigned by: *Jon Christensen*
Title: Principle
Date: 11/12/2021

Name of Entity:

Name: _____
Title: _____
Date: _____

Schedule A

Member Name and Address	Initial Capital Contributions	Additional Agreed Cash Contribution	Common Unit/Common Interest (Income Sharing Percentage)
1. Trejo Investments, LLLP	Cash: \$595,591 1031 Exchange: \$126,609	Cash: \$	9.629%
2. RJT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.852%
3. JCT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.852%
4. Michael V. Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	10.000%
5. Jeravae Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	10.000%
6. KBH Ventures, LLC	Cash: \$1,600,000	Cash: \$	21.333%
7. David and Jada Christensen Trust	Cash: \$200,000	Cash: \$	2.667%
8. The Jared and Natalie Christensen Trust	Cash: \$200,000	Cash: \$	2.667%
9. The David and Joan Baldwin Trust	Cash: \$450,000	Cash: \$	6.000%
10. Context Consulting, Inc	Cash: \$300,000	Cash: \$	4.000%
SUBTOTAL	\$5,250,000	\$	70%
CC Parkside Development, LLC	Agreed Value Consideration: Sweat Equity	None	30%
TOTAL	\$5,250,000	\$	100%

Schedule A(1)

Member Name and Address	Initial Capital Contributions	Additional Agreed Cash Contribution	Common Unit/Common Interest (Income Sharing Percentage)
1. Trejo Investments, LLLP	Cash: \$595,591 1031 Exchange: \$126,609	Cash: \$	8.942%
2. RJT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.720%
3. JCT-WCC, LLC	Cash: \$0 1031 Exchange: \$138,900	Cash: \$	1.720%
4. Michael V. Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	9.286%
5. Jeravae Christensen Family Trust dated November 3, 2015	Cash: \$750,000	Cash: \$	9.286%
6. KBH Ventures, LLC	Cash: \$1,600,000	Cash: \$	19.810%
7. David and Jada Christensen Trust	Cash: \$200,000	Cash: \$	2.476%
8. The Jared and Natalie Christensen Trust	Cash: \$200,000	Cash: \$	2.476%
9. The David and Joan Baldwin Trust	Cash: \$450,000	Cash: \$	5.571%
10. Context Consulting, Inc	Cash: \$300,000	Cash: \$	3.714%
SUBTOTAL	\$5,250,000	\$	65%
CC Parkside Development, LLC	Agreed Value Consideration: Sweat Equity	None	35%
TOTAL	\$5,250,000	\$	100%

Schedule B

Description of Intended/Proposed Business Property Project(s)

COMPANY'S RESOLUTIONS

I, the undersigned, the Member Manager of Parkside Investors, LLC, a Missouri limited liability company ("Company"), hereby certify that the following is a true and correct copy of certain resolutions unanimously adopted by the Members of the Company pursuant to a unanimous written consent:

* * * *

RESOLVED, that the issuance and sale by the City of Gladstone, Missouri (the "City"), of \$35,380,000 maximum principal amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021 (the "Bonds), pursuant to Ordinance No. 4.577 (the "Ordinance") that authorized issuance of the Bonds and execution of certain documents related thereto, in order to provide funds to finance an economic development project for the Company consisting of the construction of an approximately 220 unit apartment complex to be known as "Parkside," and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements all in accordance with plans and specifications submitted to the City and paid for with the Bond proceeds further described in the Indenture (collectively, the "Project"), be and it is hereby approved.

FURTHER RESOLVED, that, in connection with the issuance and sale of said Bonds, the form, as submitted to the Board of Directors, of the proposed documents set forth below, be, and the same hereby are, approved with such changes therein as shall be approved by the officer signing said documents on behalf of this Company, the execution of said documents by such officer to be conclusive evidence of his approval thereof:

- (a) Bond Purchase Agreement dated as of December 1, 2021 (the "Bond Purchase Agreement"), between the City and the Company;
- (b) Lease Agreement dated as of December 1, 2021 (the "Lease Agreement"), between the City and the Company;
- (c) Performance Agreement dated as of December 1, 2021 (the "Performance Agreement"), between the City and the Company; and
- (d) Special Warranty Deed dated as of December 1, 2021 (the "Deed"), from the Company in favor of the City.

FURTHER RESOLVED that the Trust Indenture dated as of December 1, 2021, between the City and Security Bank of Kansas City, as trustee, relating to the Bonds (including the form of Bond set forth therein) is in substantially the same form presented and is duly authorized and approved by the corporation for execution and delivery by the City.

FURTHER RESOLVED, that [Name], the [Title] of the Company is authorized and directed to execute and deliver said documents on behalf of and in the name of this Company, and that the [Secretary][Title of Other Officer] of the Company is authorized and directed to attest said documents.

FURTHER RESOLVED, that the officers of this Company be, and hereby are, authorized and directed to do and perform all such acts and things and to sign all such documents and certificates as may be necessary or advisable or convenient and proper to carry out the intent of the foregoing resolutions and fully to comply with the provisions of said documents.

I further certify that said resolutions have not been modified, amended or repealed and are in full force and effect as of the date hereof.

WITNESS my hand and seal this 20th day of DECEMBER 2021.

(Seal)

By: 
Name: _____
Parkside Investors, LLC,
a Missouri limited liability company

PURCHASER'S RECEIPT AND REPRESENTATION LETTER

City of Gladstone, Missouri
City Hall
7010 N. Holmes Street
Gladstone, Missouri 64118

Security Bank of Kansas City
7001 N Oak Trafficway
Gladstone, Missouri 64118
Attention: Corporate Trust Department

Re: \$35,380,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, of the City of Gladstone, Missouri

Ladies and Gentlemen:

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

1. The undersigned purchaser fully understands that (a) the Bonds have been issued under and pursuant to a Trust Indenture dated as of December 1, 2021 (the "Indenture"), between the City of Gladstone, Missouri (the "City") and Security Bank of Kansas City, as trustee (the "Trustee"), and (b) the Bonds are payable solely out of certain rents, revenues and receipts to be derived from the leasing or sale of the Project (as defined in the Indenture) to Parkside Investors, LLC, a corporation organized and existing under the laws of the State of Missouri (the "Company"), under a Lease Agreement dated as of December 1, 2021 (the "Lease"), between the City and the Company, with certain of such rents, revenues and receipts being pledged and assigned by the City to the Trustee under the Indenture to secure the payment of the principal of and interest on the Bonds.

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

3. The undersigned purchaser agrees not to attempt to offer, sell, hypothecate (except in connection with a collateral pledge of the Bond as security for a financing) or otherwise distribute the Bonds to others unless authorized by the terms of the Indenture and upon receipt of any required opinion of counsel acceptable to the City and the Company that all registration and disclosure requirements of the Securities and Exchange Commission and all other appropriate federal and Missouri securities laws and the securities law of any other applicable state are complied with.

4. The Company has (a) furnished to the undersigned purchaser such information about itself as the undersigned deems necessary in order for it to make an informed investment decision with respect to the purchase of the Bonds, (b) made available to the undersigned, during the course of this transaction, ample opportunity to ask questions of, and to receive answers from, appropriate officers of the Company and the terms and conditions of the offering of the Bonds, and (c) provided to the undersigned all additional information that it has requested.

5. The undersigned purchaser is now, and was when it agreed to purchase the Bonds, familiar with the operations of the Company and fully aware of the terms and risks of the Bonds. The undersigned believes that the Bonds that it is acquiring is a security of the kind that it wishes to purchase and hold for investment and that the nature and amount thereof are consistent with its investment program.

6. The undersigned is fully aware of and satisfied with (a) the current status of the title to the Project and any issues related thereto and (b) the terms, amounts and providers of the insurance maintained pursuant to **Article VII** of the Lease, and the undersigned is purchasing the Bonds with full knowledge of such matters.

7. The undersigned understands and agrees that the interest on the Bonds *is* subject to federal and state income taxation.

8. The undersigned hereby directs the Trustee to hold the Bonds in trust pursuant to **Section 204(c)** of the Indenture.

Date: December ____, 2021.

PARKSIDE INVESTORS, LLC

By: 
Name: Joe Christensen
Title: Member Manager

Recorded in Clay County, Missouri

Date and Time: 01/12/2022 at 03:41:56 PM

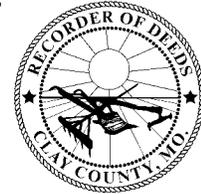
Instrument Number: 2022001454

Book: 9281 Page: 7

Instrument Type: QC

Page Count: 4

Recording Fee: \$33.00 S



Electronically Recorded

Katee Porter, Recorder

Space Above for Recorder's Use Only

DOCUMENT COVER SHEET

TITLE OF DOCUMENT: Quit Claim Deed

DATE OF DOCUMENT: As of December 1, 2021

GRANTOR: CARDINAL CREST DEVELOPMENT, LLC

Mailing Address: 1539 Swift St
NKC, MO, 64116

GRANTEE: PARKSIDE INVESTORS, LLC

Mailing Address: 1539 Swift Street
North Kansas City, Missouri 64116

LEGAL DESCRIPTION: See Exhibit A

RETURN DOCUMENTS TO: Richard C. McConnell
Armstrong Teasdale LLP
2345 Grand Blvd, Suite 1500
Kansas City, Missouri 64108

REFERENCE BOOK & PAGE: N/A

IN WITNESS WHEREOF, the Grantor has executed this Quit Claim Deed as of the day and year above written.

“GRANTOR”

CARDINAL CREST DEVELOPMENT, LLC
a Missouri limited liability company

By: 
Name: Joe Christensen
Title: Owner

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF Clay)

On this 31ST day of December, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Joe Christensen to me personally known, who, being by me duly sworn, did say that he is the owner of **CARDINAL CREST DEVELOPMENT, LLC**, a Missouri limited liability company, and that said instrument was signed on behalf of said company by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Name: Kurt Nielsen
Notary Public in and for said State

My Commission Expires: 1/31/24

KURT NIELSEN
Notary Public - Notary Seal
Clay County - State of Missouri
Commission Number 16198321
My Commission Expires Jan 31, 2024

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

**EXHIBIT A
LEGAL DESCRIPTION OF THE LAND**

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY

COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE POINT OF BEGINNING. CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE POINT OF BEGINNING. CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

Recorded in Clay County, Missouri

Date and Time: 01/12/2022 at 03:41:56 PM

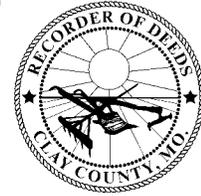
Instrument Number: 2022001455

Book: 9281 Page: 8

Instrument Type: WD

Page Count: 6

Recording Fee: \$39.00 S



Electronically Recorded

Katee Porter, Recorder

Space Above for Recorder's Use Only

DOCUMENT COVER SHEET

TITLE OF DOCUMENT: Special Warranty Deed

DATE OF DOCUMENT: As of December 1, 2021

GRANTOR: PARKSIDE INVESTORS, LLC

Mailing Address: 1539 Swift Street
North Kansas City, Missouri 64116

GRANTEE: CITY OF GLADSTONE, MISSOURI

Mailing Address: 7010 North Holmes
Gladstone, Missouri 64118
Attn: City Manager

LEGAL DESCRIPTION: See Exhibit A

RETURN DOCUMENTS TO: Richard C. McConnell
Armstrong Teasdale LLP
2345 Grand Blvd, Suite 1500
Kansas City, Missouri 64108

REFERENCE BOOK & PAGE: N/A

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made as of December 1, 2021, from **PARKSIDE INVESTORS, LLC**, a Missouri limited liability company (the “Grantor”), to the **CITY OF GLADSTONE, MISSOURI**, a third-class city organized and existing under the laws of the State of Missouri (the “Grantee”).

WITNESSETH, THAT THE GRANTOR, in consideration of the sum of One Dollar (\$1.00) and other valuable considerations to it paid by the Grantee (the receipt of which is hereby acknowledged) does by these presents, **SELL** and **CONVEY** unto the Grantee, its successors and assigns, the lots, tracts or parcels of land described in **EXHIBIT A**, which is attached hereto, together with any improvements thereon.

TO HAVE AND TO HOLD, the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereto belonging or in any way appertaining unto the Grantee and unto its successors and assigns forever; the Grantor hereby covenanting that the said premises are free and clear from any encumbrance done or suffered by it; and that it will warrant and defend the title to said premises unto the Grantee and unto the Grantee’s successors and assigns forever, against the lawful claims and demands of all persons claiming under it but none other, subject to the Permitted Encumbrances as defined in the Trust Indenture dated as of December 1, 2021 between the Grantee and Security Bank of Kansas City, as trustee.

[remainder of page intentionally left blank – signature pages to follow]

IN WITNESS WHEREOF, the Grantor and the Grantee have executed this Special Warranty Deed as of the day and year above written.

“GRANTOR”

PARKSIDE INVESTORS, LLC
a Missouri limited liability company

By: 
Name: Joe Christensen
Title: Member Manager

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF Clay)

On this 20th day of December, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Joe Christensen, to me personally known, who, being by me duly sworn, did say that he is the Manager of **PARKSIDE INVESTORS, LLC**, a Missouri limited liability company, and that said instrument was signed on behalf of said company by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Name: Kurt Nielsen
Notary Public in and for said State

My Commission Expires: 1/31/24

KURT NIELSEN
Notary Public - Notary Seal
Clay County - State of Missouri
Commission Number 16198321
My Commission Expires Jan 31, 2024

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

IN WITNESS WHEREOF, the Grantor and the Grantee have executed this Special Warranty Deed as of the day and year above written.



[SEAL]

ATTEST:

Becky Jarrett
Becky Jarrett, Deputy City Clerk

“GRANTEE”

CITY OF GLADSTONE, MISSOURI

By: R.D. Mallams
R.D. Mallams, Mayor

ACKNOWLEDGMENT

STATE OF MISSOURI)
COUNTY OF Clay) SS.

On this 16 day of Dec., 2021, before me, the undersigned, a Notary Public in and for said state, personally appeared **R.D. MALLAMS**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF GLADSTONE, MISSOURI**, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Name: Rebecca Jarrett
Rebecca Jarrett
Notary Public in and for said State

My Commission Expires:

REBECCA JARRETT Notary Public - Notary Seal STATE OF MISSOURI Clay County My Commission Expires: November 11, 2022 Commission #14392947
--

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

**EXHIBIT A
LEGAL DESCRIPTION OF THE LAND**

TRACT 1

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID QUARTER SECTION, A DISTANCE OF 423.89 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF LOT 1, RYAN'S PLAZA, A DISTANCE OF 30.00 FEET; THENCE NORTH 89°45'07" WEST, ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 102.79 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00°23'04" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 254.03 FEET TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH 89°41'33" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 473.73 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AS PREVIOUSLY ESTABLISHED; THENCE SOUTH 02°14'19" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 39.54 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 8186 AT PAGE 142; THENCE NORTH 89°29'23" WEST, ALONG THE NORTH LINE OF SAID TRACT OF LAND, A DISTANCE OF 152.11 TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5018 AT PAGE 120 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 221.76 FEET; THENCE NORTH 89°36'58" WEST, ALONG THE NORTH LINE OF SAID TRACT DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 30.00 FEET; THENCE SOUTH 00°23'02" WEST, ALONG THE WEST LINE OF SAID TRACT OF LAND DESCRIBED IN BOOK 5084 AT PAGE 112, A DISTANCE OF 111.08 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE NORTH 89°50'34" WEST, ALONG THE SOUTH LINE OF NORTH ONE-HALF OF SAID QUARTER SECTION, A DISTANCE OF 541.84 FEET TO THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2565 AT PAGE 751; THENCE NORTH 00°20'03" EAST, ALONG THE EAST LINE OF SAID TRACT OF LAND, A DISTANCE OF 657.95 FEET TO THE SOUTHWEST CORNER OF LOT 4, SMITH'S BERRY ACRES; THENCE SOUTH 89°46'19" EAST, ALONG THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 176.27 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID RYAN'S PLAZA; THENCE SOUTH 89°40'58" EAST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 175.51 FEET; THENCE SOUTH 00°23'23" WEST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 0.84 FEET TO THE **POINT OF BEGINNING**. CONTAINING 6.65 ACRES, MORE OR LESS.

TRACT 2

7508 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY,

MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 324.05 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 51.5 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 8186, ON PAGE 142 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 110.99 FEET TO THE NORTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224**; THENCE NORTH **00°23'02" EAST**, ALONG SAID EAST LINE, 110.86 FEET TO THE NORTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 152.11 FEET TO THE **POINT OF BEGINNING**. CONTAINING 17,144.94 SQUARE FEET OR 0.40 ACRES, MORE OR LESS.

TRACT 3

7506 N OAK TRAFFICWAY

ALL THAT PART OF NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 51 NORTH, RANGE 33 WEST, ALL IN THE CITY OF GLADSTONE, CLAY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEARING WRITTEN HEREIN ARE BASED UPON THE MISSOURI STATE PLANE COORDINATE SYSTEM OF 1983, MISSOURI WEST ZONE (2011 ADJUSTMENT).

COMMENCING FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 14; THENCE SOUTH 00°23'02" EAST, 435.02 FEET, ALONG THE EAST LINE OF THE NORTHWEST QUARTER; THENCE NORTH 89°36'58" WEST, 46.07 FEET TO THE INTERSECTION OF THE NORTH LINE OF TRACT DESCRIBED IN BOOK 5018, ON PAGE 120 AND THE WEST RIGHT OF WAY LINE OF NORTH OAK TRAFFICWAY, AND ALSO BEING THE **POINT OF BEGINNING**; THENCE SOUTH 02°14'19" EAST, ALONG SAID RIGHT OF WAY LINE, 100.10 FEET TO THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN BOOK 5018 ON PAGE 120; THENCE NORTH 89°43'48" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 161.77 FEET TO THE EAST LINE OF TRACT DESCRIBED IN BOOK 4663 ON PAGE 224; THENCE NORTH 00°23'02" EAST, ALONG SAID EAST LINE, 100.66 FEET TO THE SOUTHWEST CORNER OF TRACT DESCRIBED IN BOOK 8186 ON PAGE 142; THENCE SOUTH 89°29' 23" EAST ALONG SAID NORTH LINE OF SAID TRACT, 157.19 FEET TO THE **POINT OF BEGINNING**. CONTAINING 16,000.46 SQUARE FEET OR 0.37 ACRES, MORE OR LESS.

Requisition No. 1
Date: December 21, 2021

REQUISITION CERTIFICATE

TO: SECURITY BANK OF KANSAS CITY, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF DECEMBER 1, 2021, BETWEEN CITY OF GLADSTONE, MISSOURI, AND THE TRUSTEE, AND LEASE AGREEMENT DATED AS OF DECEMBER 1, 2021, BETWEEN THE CITY OF GLADSTONE, MISSOURI, AND PARKSIDE INVESTORS, LLC

The undersigned Authorized Company Representative requests that a total of \$62,900.00 be paid for Project Costs (as defined in said Lease) in such amounts, to such payees and for such purposes as set forth on **Schedule 1** attached hereto.

We hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, installation and equipping of the Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid by or are justly due to the persons whose names and addresses are stated on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund; (ii) as of this date, except for the amounts referred to above, there are no, to the best of our knowledge, outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, installation and equipping of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof; and (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to said Lease.

PARKSIDE INVESTORS, LLC
a Missouri limited liability company

By: 
Name: See Christensen
Title: Member Manager

SCHEDULE 1 TO REQUISITION CERTIFICATE

\$35,380,000

(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)

CITY OF GLADSTONE, MISSOURI

TAXABLE INDUSTRIAL REVENUE BONDS

(PARKSIDE INVESTORS PROJECT)

SERIES 2021

PROJECT COSTS

Costs of issuance to be paid from Company funds deposited in the Costs of Issuance Fund:

Payee	Description	Amount
Armstrong Teasdale LLP	Bond Counsel fees and expenses	\$45,000.00
Security Bank of Kansas City	Trustee fees and expenses	\$2,750.00
Williams & Campo, P.C.	City Attorney fees and expenses	\$12,000.00
Development Dynamics	Preparation of Plan and CBA	\$3,150.00
Total		\$62,900.00

Costs of the Project to be paid from Bond proceeds deposited in the Project Fund:

Payee	Description	Amount
		\$

Requisition No. 2
Date: December 30, 2021

REQUISITION CERTIFICATE NO. 2

TO: SECURITY BANK OF KANSAS CITY, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF DECEMBER 1, 2021, BETWEEN CITY OF GLADSTONE, MISSOURI, AND THE TRUSTEE, AND LEASE AGREEMENT DATED AS OF DECEMBER 1, 2021, BETWEEN THE CITY OF GLADSTONE, MISSOURI, AND PARKSIDE INVESTORS, LLC

The undersigned Authorized Company Representative requests that a total of **\$1,267,212.00** be paid for Project Costs (as defined in said Lease) in such amounts, to such payees and for such purposes as set forth on **Schedule 1** attached hereto.

We hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, installation and equipping of the Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid by or are justly due to the persons whose names and addresses are stated on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund; (ii) as of this date, except for the amounts referred to above, there are no, to the best of our knowledge, outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, installation and equipping of the Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the Project or any part thereof; and (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to said Lease.

PARKSIDE INVESTORS, LLC
a Missouri limited liability company

By: 
Name: Joe Christensen
Title: Owner

SCHEDULE 1 TO REQUISITION CERTIFICATE

\$35,380,000

(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)

CITY OF GLADSTONE, MISSOURI

TAXABLE INDUSTRIAL REVENUE BONDS

(PARKSIDE INVESTORS PROJECT)

SERIES 2021

PROJECT COSTS

Costs of issuance to be paid from Company funds deposited in the Costs of Issuance Fund:

Payee	Description	Amount

Costs of the Project to be paid from Bond proceeds deposited in the Project Fund:

Payee	Description	Amount
Cardinal Crest Development, LLC (Company affiliate)	Acquisition Costs of Project Site	\$210,545.00
Cardinal Crest Development, LLC (Company affiliate)	Acquisition Costs of Project Site	\$175,545.00
Cardinal Crest Development, LLC (Company affiliate)	Acquisition Costs of Project Site	\$285,542.00
Cardinal Crest Development, LLC (Company affiliate)	Acquisition Costs of Project Site	\$595,580.00
Total:		\$1,267,212.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/20/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

Table with PRODUCER (Bovard Insurance Group) and INSURED (Cardinal Crest Commercial LLC) information, along with CONTACT NAME, PHONE, FAX, and INSURER(S) AFFORDING COVERAGE.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

Main table listing insurance coverages including COMMERCIAL GENERAL LIABILITY, AUTOMOBILE LIABILITY, UMBRELLA LIAB, and WORKERS COMPENSATION AND EMPLOYERS' LIABILITY.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Certificate holder named below is additional insured on primary and non-contributory basis including ongoing and completed operations regarding General Liability if required by contract per CSGA 437 (12/13) attached

CERTIFICATE HOLDER (Parkside Investors, LLC) and CANCELLATION (SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU -
OPERATIONS AND COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED is amended to include as an additional insured any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions in the performance of your ongoing operations for the additional insured;
2. The acts or omissions of those acting on your behalf in the performance of your ongoing operations for the additional insured; or
3. "Your work" performed for the additional insured and included in the "products-completed operations hazard".

If not specified otherwise in the written contract or agreement, a person's or organization's status as an additional insured under this endorsement ends one year after your operations for that additional insured are completed. The written contract or agreement must be currently in effect or become effective during the term of this Coverage Part. The contract or agreement must be executed prior to the "bodily injury", "property damage" or "personal and advertising injury" to which this endorsement pertains.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" arising out of "your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.
3. "Bodily injury", "property damage" or "personal and advertising injury" to any employee of you or to any obligation of the additional insured to indemnify another because of damages arising out of such injury.

4. "Bodily injury", "property damage" or "personal and advertising injury" for which the Named Insured is afforded no coverage under this policy of insurance.
- C. With respect to the insurance afforded to these additional insureds, **SECTION III - LIMITS OF INSURANCE** is amended to include:

The limits applicable to the additional insured are those specified in the written contract or agreement or in the Declarations of this Coverage Part, whichever is less. If no limits are specified in the written contract or agreement, the limits applicable to the additional insured are those specified in the Declarations of this Coverage Part. The limits of insurance are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- D. With respect to the insurance afforded to these additional insureds, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance** is amended to include:

Any coverage provided herein will be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless you have agreed in a written contract or written agreement executed prior to any loss that this insurance will be primary. This insurance will be noncontributory only if you have so agreed in a written contract or written agreement executed prior to any loss and this coverage is determined to be primary.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/20/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Bovard Insurance Group, 6950 Squibb Road, Suite 500, Mission, KS 66202. CONTACT NAME: Bovard Insurance Group, PHONE: (913) 529-1130, FAX: (913) 529-1137, E-MAIL ADDRESS: info@bovardinsurancegroup.com. INSURER(S) AFFORDING COVERAGE: CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY (13037), Travelers Property Casualty Co. of America (25674).

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSD, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Includes rows for Commercial General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Certificate holder named below is additional insured on primary and non-contributory basis including ongoing and completed operations regarding General Liability if required by contract per CSGA 437 (12/13) attached

CERTIFICATE HOLDER

CANCELLATION

Certificate holder: Security Bank of Kansas City as Trustee, 7001 North Oak, Gladstone, MO 64118. Cancellation notice: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE signature.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU -
OPERATIONS AND COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED is amended to include as an additional insured any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions in the performance of your ongoing operations for the additional insured;
2. The acts or omissions of those acting on your behalf in the performance of your ongoing operations for the additional insured; or
3. "Your work" performed for the additional insured and included in the "products-completed operations hazard".

If not specified otherwise in the written contract or agreement, a person's or organization's status as an additional insured under this endorsement ends one year after your operations for that additional insured are completed. The written contract or agreement must be currently in effect or become effective during the term of this Coverage Part. The contract or agreement must be executed prior to the "bodily injury", "property damage" or "personal and advertising injury" to which this endorsement pertains.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" arising out of "your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.
3. "Bodily injury", "property damage" or "personal and advertising injury" to any employee of you or to any obligation of the additional insured to indemnify another because of damages arising out of such injury.

4. "Bodily injury", "property damage" or "personal and advertising injury" for which the Named Insured is afforded no coverage under this policy of insurance.
- C. With respect to the insurance afforded to these additional insureds, **SECTION III - LIMITS OF INSURANCE** is amended to include:

The limits applicable to the additional insured are those specified in the written contract or agreement or in the Declarations of this Coverage Part, whichever is less. If no limits are specified in the written contract or agreement, the limits applicable to the additional insured are those specified in the Declarations of this Coverage Part. The limits of insurance are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- D. With respect to the insurance afforded to these additional insureds, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance** is amended to include:

Any coverage provided herein will be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless you have agreed in a written contract or written agreement executed prior to any loss that this insurance will be primary. This insurance will be noncontributory only if you have so agreed in a written contract or written agreement executed prior to any loss and this coverage is determined to be primary.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU -
OPERATIONS AND COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II - WHO IS AN INSURED is amended to include as an additional insured any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy, but only with respect to "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions in the performance of your ongoing operations for the additional insured;
2. The acts or omissions of those acting on your behalf in the performance of your ongoing operations for the additional insured; or
3. "Your work" performed for the additional insured and included in the "products-completed operations hazard".

If not specified otherwise in the written contract or agreement, a person's or organization's status as an additional insured under this endorsement ends one year after your operations for that additional insured are completed. The written contract or agreement must be currently in effect or become effective during the term of this Coverage Part. The contract or agreement must be executed prior to the "bodily injury", "property damage" or "personal and advertising injury" to which this endorsement pertains.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" arising out of "your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.
3. "Bodily injury", "property damage" or "personal and advertising injury" to any employee of you or to any obligation of the additional insured to indemnify another because of damages arising out of such injury.

4. "Bodily injury", "property damage" or "personal and advertising injury" for which the Named Insured is afforded no coverage under this policy of insurance.
- C. With respect to the insurance afforded to these additional insureds, **SECTION III - LIMITS OF INSURANCE** is amended to include:

The limits applicable to the additional insured are those specified in the written contract or agreement or in the Declarations of this Coverage Part, whichever is less. If no limits are specified in the written contract or agreement, the limits applicable to the additional insured are those specified in the Declarations of this Coverage Part. The limits of insurance are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- D. With respect to the insurance afforded to these additional insureds, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance** is amended to include:

Any coverage provided herein will be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless you have agreed in a written contract or written agreement executed prior to any loss that this insurance will be primary. This insurance will be noncontributory only if you have so agreed in a written contract or written agreement executed prior to any loss and this coverage is determined to be primary.

COMPANY'S AFFIDAVIT

STATE OF MISSOURI)
) SS
COUNTY OF Clay)

AFFIDAVIT

I, the undersigned, am over the age of 18 years and have personal knowledge of the matters stated herein.

I am a duly authorized officer of Parkside Investors, LLC, a Missouri limited liability company (the "Company"), and am authorized by the Company to attest to the matters set forth herein.

I hereby affirm the Company's enrollment and participation in a "federal work authorization program" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, with respect to the employees working in connection with an economic development project for the Company consisting of the construction of an approximate 220 unit apartment complex commonly known as "Parkside," and other significant improvements as further described in the Indenture (collectively, the "Project").

The Company does not knowingly employ any person who is an "unauthorized alien" as defined in Section 285.525 of the Revised Statutes of Missouri, as amended, in connection with the Project.

Further Affiant Sayeth Not.

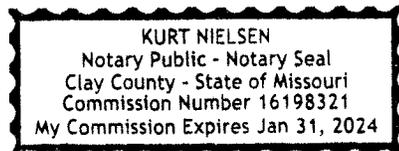
PARKSIDE INVESTORS, LLC

By: [Signature]
Name: Joe Christensen
Title: Member Mortgage

Subscribed and sworn to before me this 20th day of December, 2021.

[Signature]
Notary Public

My commission expires on: 1/31/24



E-VERIFY AFFIDAVIT

I, Joseph Christensen (the individual attesting below), being duly authorized by and on behalf of Parkside Investors, LLC, (hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a).
3. Employer is a person, business entity, or other organization that transacts business in this State and that as of this date, it has no employees.
4. Employer states that upon the hiring of any employee, Employer will comply with the E-Verify program as part of its agreement with the City of Gladstone, Missouri for the \$35,3800,000 (Aggregate Maximum Principal Amount) City of Gladstone, Missouri Taxable Industrial Development Revenue Bonds (Parkside Investors Project) Series 2021 (the "Bonds"), it shall be required to comply with the requirements of E-Verify and to utilize the program in the hiring of its employees.

This 20 day of December, 2021.



Joseph Christensen

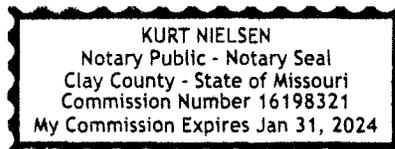
STATE OF MISSOURI)
)ss.
 COUNTY OF CLAY)

On this 20th day of December, 2021, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOSPEH CHRISTENSEN, known to me to be the persons who executed the foregoing instrument in his capacity as Member and Manager of Parkside Investors, LLC, and acknowledged to me that they executed the same for the uses and purposes herein set forth.

WITNESS MY HAND and Notarial seal the day and year last above written.


Notary Public

My Commission Expires: 1/31/24



**THE E-VERIFY
MEMORANDUM OF UNDERSTANDING
FOR EMPLOYERS**

**ARTICLE I
PURPOSE AND AUTHORITY**

The parties to this agreement are the Department of Homeland Security (DHS) and the Parkside Investors LLC (Employer). The purpose of this agreement is to set forth terms and conditions which the Employer will follow while participating in E-Verify.

E-Verify is a program that electronically confirms an employee's eligibility to work in the United States after completion of Form I-9, Employment Eligibility Verification (Form I-9). This Memorandum of Understanding (MOU) explains certain features of the E-Verify program and describes specific responsibilities of the Employer, the Social Security Administration (SSA), and DHS.

Authority for the E-Verify program is found in Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), Pub. L. 104-208, 110 Stat. 3009, as amended (8 U.S.C. § 1324a note). The Federal Acquisition Regulation (FAR) Subpart 22.18, "Employment Eligibility Verification" and Executive Order 12989, as amended, provide authority for Federal contractors and subcontractors (Federal contractor) to use E-Verify to verify the employment eligibility of certain employees working on Federal contracts.

**ARTICLE II
RESPONSIBILITIES**

A. RESPONSIBILITIES OF THE EMPLOYER

1. The Employer agrees to display the following notices supplied by DHS in a prominent place that is clearly visible to prospective employees and all employees who are to be verified through the system:
 - a. Notice of E-Verify Participation
 - b. Notice of Right to Work
2. The Employer agrees to provide to the SSA and DHS the names, titles, addresses, and telephone numbers of the Employer representatives to be contacted about E-Verify. The Employer also agrees to keep such information current by providing updated information to SSA and DHS whenever the representatives' contact information changes.
3. The Employer agrees to grant E-Verify access only to current employees who need E-Verify access. Employers must promptly terminate an employee's E-Verify access if the employer is separated from the company or no longer needs access to E-Verify.

Company ID Number: 1772135

4. The Employer agrees to become familiar with and comply with the most recent version of the E-Verify User Manual.
 5. The Employer agrees that any Employer Representative who will create E-Verify cases will complete the E-Verify Tutorial before that individual creates any cases.
 - a. The Employer agrees that all Employer representatives will take the refresher tutorials when prompted by E-Verify in order to continue using E-Verify. Failure to complete a refresher tutorial will prevent the Employer Representative from continued use of E-Verify.
 6. The Employer agrees to comply with current Form I-9 procedures, with two exceptions:
 - a. If an employee presents a "List B" identity document, the Employer agrees to only accept "List B" documents that contain a photo. (List B documents identified in 8 C.F.R. § 274a.2(b)(1)(B)) can be presented during the Form I-9 process to establish identity.) If an employee objects to the photo requirement for religious reasons, the Employer should contact E-Verify at 888-464-4218.
 - b. If an employee presents a DHS Form I-551 (Permanent Resident Card), Form I-766 (Employment Authorization Document), or U.S. Passport or Passport Card to complete Form I-9, the Employer agrees to make a photocopy of the document and to retain the photocopy with the employee's Form I-9. The Employer will use the photocopy to verify the photo and to assist DHS with its review of photo mismatches that employees contest. DHS may in the future designate other documents that activate the photo screening tool.
- Note: Subject only to the exceptions noted previously in this paragraph, employees still retain the right to present any List A, or List B and List C, document(s) to complete the Form I-9.
7. The Employer agrees to record the case verification number on the employee's Form I-9 or to print the screen containing the case verification number and attach it to the employee's Form I-9.
 8. The Employer agrees that, although it participates in E-Verify, the Employer has a responsibility to complete, retain, and make available for inspection Forms I-9 that relate to its employees, or from other requirements of applicable regulations or laws, including the obligation to comply with the antidiscrimination requirements of section 274B of the INA with respect to Form I-9 procedures.
 - a. The following modified requirements are the only exceptions to an Employer's obligation to not employ unauthorized workers and comply with the anti-discrimination provision of the INA: (1) List B identity documents must have photos, as described in paragraph 6 above; (2) When an Employer confirms the identity and employment eligibility of newly hired employee using E-Verify procedures, the Employer establishes a rebuttable presumption that it has not violated section 274A(a)(1)(A) of the Immigration and Nationality Act (INA) with respect to the hiring of that employee; (3) If the Employer receives a final nonconfirmation for an employee, but continues to employ that person, the Employer must notify DHS and the Employer is subject to a civil money penalty between \$550 and \$1,100 for each failure to notify DHS of continued employment following a final nonconfirmation; (4) If the Employer continues to employ an employee after receiving a final nonconfirmation, then the Employer is subject to a rebuttable presumption that it has knowingly

Company ID Number: 1772135

employed an unauthorized alien in violation of section 274A(a)(1)(A); and (5) no E-Verify participant is civilly or criminally liable under any law for any action taken in good faith based on information provided through the E-Verify.

b. DHS reserves the right to conduct Form I-9 compliance inspections, as well as any other enforcement or compliance activity authorized by law, including site visits, to ensure proper use of E-Verify.

9. The Employer is strictly prohibited from creating an E-Verify case before the employee has been hired, meaning that a firm offer of employment was extended and accepted and Form I-9 was completed. The Employer agrees to create an E-Verify case for new employees within three Employer business days after each employee has been hired (after both Sections 1 and 2 of Form I-9 have been completed), and to complete as many steps of the E-Verify process as are necessary according to the E-Verify User Manual. If E-Verify is temporarily unavailable, the three-day time period will be extended until it is again operational in order to accommodate the Employer's attempting, in good faith, to make inquiries during the period of unavailability.

10. The Employer agrees not to use E-Verify for pre-employment screening of job applicants, in support of any unlawful employment practice, or for any other use that this MOU or the E-Verify User Manual does not authorize.

11. The Employer must use E-Verify for all new employees. The Employer will not verify selectively and will not verify employees hired before the effective date of this MOU. Employers who are Federal contractors may qualify for exceptions to this requirement as described in Article II.B of this MOU.

12. The Employer agrees to follow appropriate procedures (see Article III below) regarding tentative nonconfirmations. The Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify case. The Employer agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer agrees to provide written referral instructions to employees and instruct affected employees to bring the English copy of the letter to the SSA. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending. Further, when employees contest a tentative nonconfirmation based upon a photo mismatch, the Employer must take additional steps (see Article III.B. below) to contact DHS with information necessary to resolve the challenge.

13. The Employer agrees not to take any adverse action against an employee based upon the employee's perceived employment eligibility status while SSA or DHS is processing the verification request unless the Employer obtains knowledge (as defined in 8 C.F.R. § 274a.1(l)) that the employee is not work authorized. The Employer understands that an initial inability of the SSA or DHS automated verification system to verify work authorization, a tentative nonconfirmation, a case in continuance (indicating the need for additional time for the government to resolve a case), or the finding of a photo mismatch, does not establish, and should not be interpreted as, evidence that the employee is not work authorized. In any of such cases, the employee must be provided a full and fair opportunity to contest the finding, and if he or she does so, the employee may not be terminated or suffer any adverse employment consequences based upon the employee's perceived employment eligibility status

Company ID Number: 1772135

(including denying, reducing, or extending work hours, delaying or preventing training, requiring an employee to work in poorer conditions, withholding pay, refusing to assign the employee to a Federal contract or other assignment, or otherwise assuming that he or she is unauthorized to work) until and unless secondary verification by SSA or DHS has been completed and a final nonconfirmation has been issued. If the employee does not choose to contest a tentative nonconfirmation or a photo mismatch or if a secondary verification is completed and a final nonconfirmation is issued, then the Employer can find the employee is not work authorized and terminate the employee's employment. Employers or employees with questions about a final nonconfirmation may call E-Verify at 1-888-464-4218 (customer service) or 1-888-897-7781 (worker hotline).

14. The Employer agrees to comply with Title VII of the Civil Rights Act of 1964 and section 274B of the INA as applicable by not discriminating unlawfully against any individual in hiring, firing, employment eligibility verification, or recruitment or referral practices because of his or her national origin or citizenship status, or by committing discriminatory documentary practices. The Employer understands that such illegal practices can include selective verification or use of E-Verify except as provided in part D below, or discharging or refusing to hire employees because they appear or sound "foreign" or have received tentative nonconfirmations. The Employer further understands that any violation of the immigration-related unfair employment practices provisions in section 274B of the INA could subject the Employer to civil penalties, back pay awards, and other sanctions, and violations of Title VII could subject the Employer to back pay awards, compensatory and punitive damages. Violations of either section 274B of the INA or Title VII may also lead to the termination of its participation in E-Verify. If the Employer has any questions relating to the anti-discrimination provision, it should contact OSC at 1-800-255-8155 or 1-800-237-2515 (TDD).

15. The Employer agrees that it will use the information it receives from E-Verify only to confirm the employment eligibility of employees as authorized by this MOU. The Employer agrees that it will safeguard this information, and means of access to it (such as PINS and passwords), to ensure that it is not used for any other purpose and as necessary to protect its confidentiality, including ensuring that it is not disseminated to any person other than employees of the Employer who are authorized to perform the Employer's responsibilities under this MOU, except for such dissemination as may be authorized in advance by SSA or DHS for legitimate purposes.

16. The Employer agrees to notify DHS immediately in the event of a breach of personal information. Breaches are defined as loss of control or unauthorized access to E-Verify personal data. All suspected or confirmed breaches should be reported by calling 1-888-464-4218 or via email at E-Verify@dhs.gov. Please use "Privacy Incident – Password" in the subject line of your email when sending a breach report to E-Verify.

17. The Employer acknowledges that the information it receives from SSA is governed by the Privacy Act (5 U.S.C. § 552a(i)(1) and (3)) and the Social Security Act (42 U.S.C. 1306(a)). Any person who obtains this information under false pretenses or uses it for any purpose other than as provided for in this MOU may be subject to criminal penalties.

18. The Employer agrees to cooperate with DHS and SSA in their compliance monitoring and evaluation of E-Verify, which includes permitting DHS, SSA, their contractors and other agents, upon

Company ID Number: 1772135

reasonable notice, to review Forms I-9 and other employment records and to interview it and its employees regarding the Employer's use of E-Verify, and to respond in a prompt and accurate manner to DHS requests for information relating to their participation in E-Verify.

19. The Employer shall not make any false or unauthorized claims or references about its participation in E-Verify on its website, in advertising materials, or other media. The Employer shall not describe its services as federally-approved, federally-certified, or federally-recognized, or use language with a similar intent on its website or other materials provided to the public. Entering into this MOU does not mean that E-Verify endorses or authorizes your E-Verify services and any claim to that effect is false.

20. The Employer shall not state in its website or other public documents that any language used therein has been provided or approved by DHS, USCIS or the Verification Division, without first obtaining the prior written consent of DHS.

21. The Employer agrees that E-Verify trademarks and logos may be used only under license by DHS/USCIS (see [M-795 \(Web\)](#)) and, other than pursuant to the specific terms of such license, may not be used in any manner that might imply that the Employer's services, products, websites, or publications are sponsored by, endorsed by, licensed by, or affiliated with DHS, USCIS, or E-Verify.

22. The Employer understands that if it uses E-Verify procedures for any purpose other than as authorized by this MOU, the Employer may be subject to appropriate legal action and termination of its participation in E-Verify according to this MOU.

B. RESPONSIBILITIES OF FEDERAL CONTRACTORS

1. If the Employer is a Federal contractor with the FAR E-Verify clause subject to the employment verification terms in Subpart 22.18 of the FAR, it will become familiar with and comply with the most current version of the E-Verify User Manual for Federal Contractors as well as the E-Verify Supplemental Guide for Federal Contractors.

2. In addition to the responsibilities of every employer outlined in this MOU, the Employer understands that if it is a Federal contractor subject to the employment verification terms in Subpart 22.18 of the FAR it must verify the employment eligibility of any "employee assigned to the contract" (as defined in FAR 22.1801). Once an employee has been verified through E-Verify by the Employer, the Employer may not create a second case for the employee through E-Verify.

a. An Employer that is not enrolled in E-Verify as a Federal contractor at the time of a contract award must enroll as a Federal contractor in the E-Verify program within 30 calendar days of contract award and, within 90 days of enrollment, begin to verify employment eligibility of new hires using E-Verify. The Employer must verify those employees who are working in the United States, whether or not they are assigned to the contract. Once the Employer begins verifying new hires, such verification of new hires must be initiated within three business days after the hire date. Once enrolled in E-Verify as a Federal contractor, the Employer must begin verification of employees assigned to the contract within 90 calendar days after the date of enrollment or within 30 days of an employee's assignment to the contract, whichever date is later.

Company ID Number: 1772135

- b. Employers enrolled in E-Verify as a Federal contractor for 90 days or more at the time of a contract award must use E-Verify to begin verification of employment eligibility for new hires of the Employer who are working in the United States, whether or not assigned to the contract, within three business days after the date of hire. If the Employer is enrolled in E-Verify as a Federal contractor for 90 calendar days or less at the time of contract award, the Employer must, within 90 days of enrollment, begin to use E-Verify to initiate verification of new hires of the contractor who are working in the United States, whether or not assigned to the contract. Such verification of new hires must be initiated within three business days after the date of hire. An Employer enrolled as a Federal contractor in E-Verify must begin verification of each employee assigned to the contract within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever is later.
- c. Federal contractors that are institutions of higher education (as defined at 20 U.S.C. 1001(a)), state or local governments, governments of Federally recognized Indian tribes, or sureties performing under a takeover agreement entered into with a Federal agency under a performance bond may choose to only verify new and existing employees assigned to the Federal contract. Such Federal contractors may, however, elect to verify all new hires, and/or all existing employees hired after November 6, 1986. Employers in this category must begin verification of employees assigned to the contract within 90 calendar days after the date of enrollment or within 30 days of an employee's assignment to the contract, whichever date is later.
- d. Upon enrollment, Employers who are Federal contractors may elect to verify employment eligibility of all existing employees working in the United States who were hired after November 6, 1986, instead of verifying only those employees assigned to a covered Federal contract. After enrollment, Employers must elect to verify existing staff following DHS procedures and begin E-Verify verification of all existing employees within 180 days after the election.
- e. The Employer may use a previously completed Form I-9 as the basis for creating an E-Verify case for an employee assigned to a contract as long as:
- i. That Form I-9 is complete (including the SSN) and complies with Article II.A.6,
 - ii. The employee's work authorization has not expired, and
 - iii. The Employer has reviewed the Form I-9 information either in person or in communications with the employee to ensure that the employee's Section 1, Form I-9 attestation has not changed (including, but not limited to, a lawful permanent resident alien having become a naturalized U.S. citizen).
- f. The Employer shall complete a new Form I-9 consistent with Article II.A.6 or update the previous Form I-9 to provide the necessary information if:
- i. The Employer cannot determine that Form I-9 complies with Article II.A.6,
 - ii. The employee's basis for work authorization as attested in Section 1 has expired or changed, or
 - iii. The Form I-9 contains no SSN or is otherwise incomplete.

Note: If Section 1 of Form I-9 is otherwise valid and up-to-date and the form otherwise complies with

Company ID Number: 1772135

Article II.C.5, but reflects documentation (such as a U.S. passport or Form I-551) that expired after completing Form I-9, the Employer shall not require the production of additional documentation, or use the photo screening tool described in Article II.A.5, subject to any additional or superseding instructions that may be provided on this subject in the E-Verify User Manual.

g. The Employer agrees not to require a second verification using E-Verify of any assigned employee who has previously been verified as a newly hired employee under this MOU or to authorize verification of any existing employee by any Employer that is not a Federal contractor based on this Article.

3. The Employer understands that if it is a Federal contractor, its compliance with this MOU is a performance requirement under the terms of the Federal contract or subcontract, and the Employer consents to the release of information relating to compliance with its verification responsibilities under this MOU to contracting officers or other officials authorized to review the Employer's compliance with Federal contracting requirements.

C. RESPONSIBILITIES OF SSA

1. SSA agrees to allow DHS to compare data provided by the Employer against SSA's database. SSA sends DHS confirmation that the data sent either matches or does not match the information in SSA's database.

2. SSA agrees to safeguard the information the Employer provides through E-Verify procedures. SSA also agrees to limit access to such information, as is appropriate by law, to individuals responsible for the verification of Social Security numbers or responsible for evaluation of E-Verify or such other persons or entities who may be authorized by SSA as governed by the Privacy Act (5 U.S.C. § 552a), the Social Security Act (42 U.S.C. 1306(a)), and SSA regulations (20 CFR Part 401).

3. SSA agrees to provide case results from its database within three Federal Government work days of the initial inquiry. E-Verify provides the information to the Employer.

4. SSA agrees to update SSA records as necessary if the employee who contests the SSA tentative nonconfirmation visits an SSA field office and provides the required evidence. If the employee visits an SSA field office within the eight Federal Government work days from the date of referral to SSA, SSA agrees to update SSA records, if appropriate, within the eight-day period unless SSA determines that more than eight days may be necessary. In such cases, SSA will provide additional instructions to the employee. If the employee does not visit SSA in the time allowed, E-Verify may provide a final nonconfirmation to the employer.

Note: If an Employer experiences technical problems, or has a policy question, the employer should contact E-Verify at 1-888-464-4218.

D. RESPONSIBILITIES OF DHS

1. DHS agrees to provide the Employer with selected data from DHS databases to enable the Employer to conduct, to the extent authorized by this MOU:

a. Automated verification checks on alien employees by electronic means, and

Company ID Number: 1772135

- b. Photo verification checks (when available) on employees.
2. DHS agrees to assist the Employer with operational problems associated with the Employer's participation in E-Verify. DHS agrees to provide the Employer names, titles, addresses, and telephone numbers of DHS representatives to be contacted during the E-Verify process.
3. DHS agrees to provide to the Employer with access to E-Verify training materials as well as an E-Verify User Manual that contain instructions on E-Verify policies, procedures, and requirements for both SSA and DHS, including restrictions on the use of E-Verify.
4. DHS agrees to train Employers on all important changes made to E-Verify through the use of mandatory refresher tutorials and updates to the E-Verify User Manual. Even without changes to E-Verify, DHS reserves the right to require employers to take mandatory refresher tutorials.
5. DHS agrees to provide to the Employer a notice, which indicates the Employer's participation in E-Verify. DHS also agrees to provide to the Employer anti-discrimination notices issued by the Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC), Civil Rights Division, U.S. Department of Justice.
6. DHS agrees to issue each of the Employer's E-Verify users a unique user identification number and password that permits them to log in to E-Verify.
7. DHS agrees to safeguard the information the Employer provides, and to limit access to such information to individuals responsible for the verification process, for evaluation of E-Verify, or to such other persons or entities as may be authorized by applicable law. Information will be used only to verify the accuracy of Social Security numbers and employment eligibility, to enforce the INA and Federal criminal laws, and to administer Federal contracting requirements.
8. DHS agrees to provide a means of automated verification that provides (in conjunction with SSA verification procedures) confirmation or tentative nonconfirmation of employees' employment eligibility within three Federal Government work days of the initial inquiry.
9. DHS agrees to provide a means of secondary verification (including updating DHS records) for employees who contest DHS tentative nonconfirmations and photo mismatch tentative nonconfirmations. This provides final confirmation or nonconfirmation of the employees' employment eligibility within 10 Federal Government work days of the date of referral to DHS, unless DHS determines that more than 10 days may be necessary. In such cases, DHS will provide additional verification instructions.

ARTICLE III

REFERRAL OF INDIVIDUALS TO SSA AND DHS

A. REFERRAL TO SSA

1. If the Employer receives a tentative nonconfirmation issued by SSA, the Employer must print the notice as directed by E-Verify. The Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify

Company ID Number: 1772135

case. The Employer also agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer agrees to provide written referral instructions to employees and instruct affected employees to bring the English copy of the letter to the SSA. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending.

2. The Employer agrees to obtain the employee's response about whether he or she will contest the tentative nonconfirmation as soon as possible after the Employer receives the tentative nonconfirmation. Only the employee may determine whether he or she will contest the tentative nonconfirmation.
3. After a tentative nonconfirmation, the Employer will refer employees to SSA field offices only as directed by E-Verify. The Employer must record the case verification number, review the employee information submitted to E-Verify to identify any errors, and find out whether the employee contests the tentative nonconfirmation. The Employer will transmit the Social Security number, or any other corrected employee information that SSA requests, to SSA for verification again if this review indicates a need to do so.
4. The Employer will instruct the employee to visit an SSA office within eight Federal Government work days. SSA will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it determines that more than 10 days is necessary.
5. While waiting for case results, the Employer agrees to check the E-Verify system regularly for case updates.
6. The Employer agrees not to ask the employee to obtain a printout from the Social Security Administration number database (the Numident) or other written verification of the SSN from the SSA.

B. REFERRAL TO DHS

1. If the Employer receives a tentative nonconfirmation issued by DHS, the Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify case. The Employer also agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending.
2. The Employer agrees to obtain the employee's response about whether he or she will contest the tentative nonconfirmation as soon as possible after the Employer receives the tentative nonconfirmation. Only the employee may determine whether he or she will contest the tentative nonconfirmation.
3. The Employer agrees to refer individuals to DHS only when the employee chooses to contest a tentative nonconfirmation.
4. If the employee contests a tentative nonconfirmation issued by DHS, the Employer will instruct the

Company ID Number: 1772135

employee to contact DHS through its toll-free hotline (as found on the referral letter) within eight Federal Government work days.

5. If the Employer finds a photo mismatch, the Employer must provide the photo mismatch tentative nonconfirmation notice and follow the instructions outlined in paragraph 1 of this section for tentative nonconfirmations, generally.
6. The Employer agrees that if an employee contests a tentative nonconfirmation based upon a photo mismatch, the Employer will send a copy of the employee's Form I-551, Form I-766, U.S. Passport, or passport card to DHS for review by:
 - a. Scanning and uploading the document, or
 - b. Sending a photocopy of the document by express mail (furnished and paid for by the employer).
7. The Employer understands that if it cannot determine whether there is a photo match/mismatch, the Employer must forward the employee's documentation to DHS as described in the preceding paragraph. The Employer agrees to resolve the case as specified by the DHS representative who will determine the photo match or mismatch.
8. DHS will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it determines that more than 10 days is necessary.
9. While waiting for case results, the Employer agrees to check the E-Verify system regularly for case updates.

ARTICLE IV SERVICE PROVISIONS

A. NO SERVICE FEES

1. SSA and DHS will not charge the Employer for verification services performed under this MOU. The Employer is responsible for providing equipment needed to make inquiries. To access E-Verify, an Employer will need a personal computer with Internet access.

ARTICLE V MODIFICATION AND TERMINATION

A. MODIFICATION

1. This MOU is effective upon the signature of all parties and shall continue in effect for as long as the SSA and DHS operates the E-Verify program unless modified in writing by the mutual consent of all parties.
2. Any and all E-Verify system enhancements by DHS or SSA, including but not limited to E-Verify checking against additional data sources and instituting new verification policies or procedures, will be covered under this MOU and will not cause the need for a supplemental MOU that outlines these changes.

Company ID Number: 1772135

B. TERMINATION

1. The Employer may terminate this MOU and its participation in E-Verify at any time upon 30 days prior written notice to the other parties.
2. Notwithstanding Article V, part A of this MOU, DHS may terminate this MOU, and thereby the Employer's participation in E-Verify, with or without notice at any time if deemed necessary because of the requirements of law or policy, or upon a determination by SSA or DHS that there has been a breach of system integrity or security by the Employer, or a failure on the part of the Employer to comply with established E-Verify procedures and/or legal requirements. The Employer understands that if it is a Federal contractor, termination of this MOU by any party for any reason may negatively affect the performance of its contractual responsibilities. Similarly, the Employer understands that if it is in a state where E-Verify is mandatory, termination of this by any party MOU may negatively affect the Employer's business.
3. An Employer that is a Federal contractor may terminate this MOU when the Federal contract that requires its participation in E-Verify is terminated or completed. In such cases, the Federal contractor must provide written notice to DHS. If an Employer that is a Federal contractor fails to provide such notice, then that Employer will remain an E-Verify participant, will remain bound by the terms of this MOU that apply to non-Federal contractor participants, and will be required to use the E-Verify procedures to verify the employment eligibility of all newly hired employees.
4. The Employer agrees that E-Verify is not liable for any losses, financial or otherwise, if the Employer is terminated from E-Verify.

ARTICLE VI PARTIES

- A. Some or all SSA and DHS responsibilities under this MOU may be performed by contractor(s), and SSA and DHS may adjust verification responsibilities between each other as necessary. By separate agreement with DHS, SSA has agreed to perform its responsibilities as described in this MOU.
- B. Nothing in this MOU is intended, or should be construed, to create any right or benefit, substantive or procedural, enforceable at law by any third party against the United States, its agencies, officers, or employees, or against the Employer, its agents, officers, or employees.
- C. The Employer may not assign, directly or indirectly, whether by operation of law, change of control or merger, all or any part of its rights or obligations under this MOU without the prior written consent of DHS, which consent shall not be unreasonably withheld or delayed. Any attempt to sublicense, assign, or transfer any of the rights, duties, or obligations herein is void.
- D. Each party shall be solely responsible for defending any claim or action against it arising out of or related to E-Verify or this MOU, whether civil or criminal, and for any liability wherefrom, including (but not limited to) any dispute between the Employer and any other person or entity regarding the applicability of Section 403(d) of IIRIRA to any action taken or allegedly taken by the Employer.
- E. The Employer understands that its participation in E-Verify is not confidential information and may be disclosed as authorized or required by law and DHS or SSA policy, including but not limited to,

Company ID Number: 1772135

Congressional oversight, E-Verify publicity and media inquiries, determinations of compliance with Federal contractual requirements, and responses to inquiries under the Freedom of Information Act (FOIA).

F. The individuals whose signatures appear below represent that they are authorized to enter into this MOU on behalf of the Employer and DHS respectively. The Employer understands that any inaccurate statement, representation, data or other information provided to DHS may subject the Employer, its subcontractors, its employees, or its representatives to: (1) prosecution for false statements pursuant to 18 U.S.C. 1001 and/or; (2) immediate termination of its MOU and/or; (3) possible debarment or suspension.

G. The foregoing constitutes the full agreement on this subject between DHS and the Employer.

To be accepted as an E-Verify participant, you should only sign the Employer's Section of the signature page. If you have any questions, contact E-Verify at 1-888-464-4218.

Company ID Number: 1772135

Approved by:

Employer Parkside Investors LLC	
Name (Please Type or Print) Kurt Nielsen	Title
Signature Electronically Signed	Date 12/27/2021
Department of Homeland Security – Verification Division	
Name (Please Type or Print)	Title
Signature Electronically Signed	Date

Company ID Number: 1772135

Information Required for the E-Verify Program

Information relating to your Company:

Company Name	Parkside Investors LLC
Company Facility Address	1539 Swift St North Kansas City, MO 64116
Company Alternate Address	
County or Parish	CLAY
Employer Identification Number	873206408
North American Industry Classification Systems Code	531
Parent Company	
Number of Employees	1 to 4
Number of Sites Verified for	1

Company ID Number: 1772135

Are you verifying for more than 1 site? If yes, please provide the number of sites verified for in each State:

MISSOURI	1 site(s)
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Company ID Number: 1772135

Information relating to the Program Administrator(s) for your Company on policy questions or operational problems:

Name Kurt Nielsen
Phone Number (816) 499 - 3156
Fax Number
Email Address kurt@cardinalcrestkc.com

Company ID Number: 1772135

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TRUSTEE'S CLOSING CERTIFICATE

relating to

CITY OF GLADSTONE, MISSOURI TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (PARKSIDE INVESTORS PROJECT) SERIES 2021

The undersigned, a duly authorized officer of Security Bank of Kansas City, a state chartered bank located in Gladstone, Missouri (the "Trustee"), as trustee under the Trust Indenture dated as of December 1, 2021 (the "Indenture"), between the Trustee and the City of Gladstone, Missouri (the "City"), authorizing the issuance of the the City's Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, in the maximum principal amount of \$35,380,000 (the "Bonds"), does hereby certify as follows:

1. Power and Authority of Trustee. The Trustee is a state chartered bank duly organized and existing under the laws of the State of Kansas, is authorized to do business in the State of Missouri, and is authorized and empowered to execute and deliver the Indenture and has full power and authority to act as Trustee as provided in the Indenture.

2. Execution of Indenture. The Indenture has been duly executed on behalf of the Trustee by a duly authorized officer of the Trustee, and said person was at the time of the execution of the Indenture and now is the duly elected or appointed, qualified and acting incumbent of such office.

3. Receipt of Documents. The Trustee hereby acknowledges receipt of the documents referred to in **Section 208(c)** of the Indenture, which are required to be filed with the Trustee prior to or simultaneously with the delivery of the Bonds.

4. Authentication of Bonds. Pursuant to and in accordance with the provisions of the **Section 205** of the Indenture and the written request and authorization of the City, prior to the delivery of the Bonds, the Certificates of Authentication on the Bonds so delivered were signed on behalf of the Trustee by a person, who was at the time of the authentication of the Bonds and still is at the date hereof, a qualified and acting signatory of the Trustee.

5. Delivery of Bonds. The Trustee acknowledges that pursuant to **Section 208(d)** of the Indenture, the Bonds acquired by Parkside Investors, LLC, a Missouri limited liability company (the "Purchaser"), and the original **Schedule I** thereto will be held by the Trustee in trust until directed in writing to deliver the Bonds to or upon the order of the Purchaser.

6. Receipt of Closing Price of the Bonds and Costs of Issuance. The Trustee on this date received on behalf of the City from the Purchaser, the Closing Price of the Bonds (as such term is defined in and pursuant to the Bond Purchase Agreement), together with funds to be deposited by the Trustee in the Costs of Issuance Fund to be used to pay costs of issuance pursuant to **Section 505** of the Indenture.

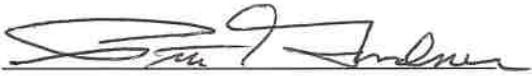
7. **Deposit of Bond Proceeds.** The Trustee on this date, in accordance with the requirements of the Indenture, deposited the required amount of proceeds of the Bonds into the Project Fund established under the Indenture.

8. **Authorization of Officers.** The officers of the Trustee referred to in paragraphs (2) and (4) hereof were at the time of the acts above-mentioned, and are at the date hereof, duly elected or appointed, qualified and acting signatories of the Trustee and duly authorized to perform the acts referred to in such paragraphs.

IN WITNESS WHEREOF, the Trustee has caused this certificate to be executed this 21st day of December, 2021.



SECURITY BANK OF KANSAS CITY,
as Trustee

By 
Name: **Pete Gardner**
Title: **SVP/Trust Manager**

ATTEST:

By 
Name: **Lisa Shatto**
Title: **Trust Officer**



Secured Title of Kansas City - North

a TMI Company
201A NE 91st St
Kansas City, MO 64155
816-471-1560

December 20, 2021

Cardinal Crest Development LLC
1539 Swift St
North Kansas City, MO 64116

Our File Number.: SKC0065579

Enclosed please find your Owner's Title Insurance Policy which is your title evidence of the proof of ownership of your described property. It should be safeguarded.

This policy will be of value to you some later date if you should sell or refinance the property. Secured Title of Kansas City - North, of course, maintains a complete file on this case and will be able to assist you with your title evidence in the case of your sale or refinance or if you should lose your policy. See us in the event of refinance or sale as we can give you a discount on the next closing.

The premium for this policy has been fully paid. There are no additional or renewal premiums. Any additional papers which we may have had with your policy are enclosed and listed below.

Thank you for allowing us to be of service.

Very Truly Yours,

Secured Title of Kansas City - North

By *Karen M. Reagan*

OWNER'S POLICY OF TITLE INSURANCE

Issued by

Old Republic National Title Insurance Company

By its Agent:

Secured Title of Kansas City - North

201A NE 91st St, Kansas City, Missouri 64155

816-471-1560

SCHEDULE A

Name and Address of Title Insurance Company:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

400 Second Avenue South

Minneapolis, Minnesota 55401

File No.: **SKC0065579**

Policy No.: **OX-14037781**

Address Reference: **7508 North OakTrafficway, Kansas City, MO**

Amount of Insurance: **\$210,000.00** Premium: **\$825.00**

Date of Policy: **September 24, 2021 at 03:36 pm**

1. Name of Insured:

Cardinal Crest Development, LLC, a Missouri limited liability company

2. The estate or interest in the Land that is insured by this policy is:

Fee Simple

3. Title is vested in:

Cardinal Crest Development, LLC, a Missouri limited liability company

4. The Land referred to in this policy is described as follows:

See Exhibit "A" attached hereto and by this reference made a part hereof

EXHIBIT "A"

A tract of land located in the Northeast Quarter (NE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) for Section Fourteen (14), Township Fifty-one (51) North, Range Thirty-three (33), Gladstone, Clay County, Missouri, lying West (W) of North Oak Trafficway, being more particularly described as follows:

Commencing at the Center of Section for Section Fourteen (14), Township Fifty-one (51) North, Range Thirty-three (33) West, Gladstone, Clay County, Missouri; thence South (S) along the Quarter (1/4) Section Line for said Section Fourteen (14), S 00 degrees 23 minutes 00 seconds W, a distance of 324.26 feet; thence departing the Quarter (1/4) Section Line for said Section Fourteen (14), N 89 degrees 29 minutes 25 seconds W, a distance of 51.15 feet, to a point on the West (W) Right of Way for North Oak Trafficway, said point being the Point of Beginning; thence departing the West (W) Right of Way for said North Oak Trafficway, N 89 degrees 29 minutes 25 seconds W, a distance of 152.11 feet; thence S 00 degrees 23 minutes 00 seconds W, a distance of 110.85 feet; thence S 89 degrees 29 minutes 25 seconds E, a distance of 157.19 feet, to a point on the West (W) Right of Way for said North Oak Trafficway; thence N 02 degrees 14 minutes 21 seconds W, a distance of 110.99 feet, to the Point of Beginning, as shown on Certificate of Survey filed June 12, 2018 as Document No. 2018018751 in Book D at Page 238.3



OWNER'S POLICY OF TITLE INSURANCE

Issued by
Old Republic National Title Insurance Company

SCHEDULE B

File No.: **SKC0065579**

Policy No.: **OX-14037781**

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. **Easements or claims of easements not shown by the Public Records**
2. **Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey**
3. **General taxes for the year 2021 and thereafter, none now due and payable**
4. **Special assessments, if any, due the City of Gladstone, Missouri.**
5. **Tenancy rights either month to month or by virtue of written leases of persons now in possession of any part of the premises in question.**
6. **Temporary Construction Easement granted to the City of Gladstone, Missouri as set forth in instrument filed under Document No. [2008016589](#) in Book 5970 at Page 165, over a portion of the premises described herein.**
7. **Right of Way granted to the City of Gladstone as set forth in instrument filed under Document No. [2008016588](#) in Book 5970 at Page 164, over a portion of the premises described herein.**
8. **Matters disclosed by Certificate of Survey filed June 12, 2018 as Document No. [2018018751](#) in Book D at Page 238.3**

PRIVACY POLICY



Secured Title of Kansas City - North
201A NE 91st St
Kansas City, MO 64155
Phone: 816-471-1560

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information—particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information, which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Type of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- * Information we receive from you on application, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- * Information about your transactions with us, our affiliated companies, or others; and
- * Information we receive from a consumer-reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties, except; (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities that need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



Rev. 06/2020
rev. 06rere/2020

FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?
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Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> Social Security number and employment information Mortgage rates and payments and account balances Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to www.oldrepublictitle.com (<i>Contact Us</i>)
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Who we are

Who is providing this notice?

Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do

How does Old Republic Title 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 safeguards and secured files and buildings. For more information, visit <http://www.OldRepublicTitle.com/newnational/Contact/privacy>.

How does Old Republic Title collect my personal information?

We collect your personal information, for example, when you:

- | Give us your contact information or show your driver's license
- | Show your government-issued ID or provide your mortgage information
- | Make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- | Sharing for affiliates' everyday business purposes - information about your creditworthiness
- | Affiliates from using your information to market to you
- | Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section location at <https://www.oldrepublictitle.com/privacy-policy> for your rights under state law.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- | *Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.*

Non-affiliates

Companies not related by common ownership or control. They can be financial and non-financial companies.

- | *Old Republic Title does not share with non-affiliates so they can market to you*

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- | *•Old Republic Title doesn't jointly market.*

Affiliates Who May be Delivering This Notice

American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc	Republic Abstract & Settlement , LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

OWNER'S POLICY OF TITLE INSURANCE

Policy Issuer:
SECURED TITLE OF KANSAS CITY, LLC
201A NE 91ST STREET
KANSAS CITY, MO 64155
PHONE: (816) 420-0781



Policy Number **OX-14037781** File Number: **SKC0065579**

Issued by Old Republic National Title Insurance 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, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Florida 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 protectionif 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.

Countersigned:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

Authorized Officer or Licensed Agent

By

President

Attest

Secretary

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.
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.

(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.

CONDITIONS (con't)

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 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.

CONDITIONS (con't)

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.

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 400 Second Avenue South, Minneapolis, Minnesota 55401-2499.

Endorsement
DELETION OF ARBITRATION



Policy Issuer:
SECURED TITLE OF KANSAS CITY, LLC
201A NE 91ST STREET
KANSAS CITY, MO 64155
PHONE: (816) 420-0781

This endorsement is to be attached to and become a part of Policy No. **OX-14037781**
of OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY.

DELETION OF ARBITRATION

The paragraph titled "ARBITRATION" in the Conditions of this policy is hereby deleted.

This endorsement, when countersigned by an authorized officer or agent, is made part of said policy as of the policy date thereof and is subject to the Schedules, Conditions and Exclusions from Coverage therein contained, except as modified by the provisions hereof.

A handwritten signature in cursive script that reads "Kara M. Reagan".

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

Authorized Officer or Agent

By

A handwritten signature in cursive script that reads "C. Monroe".

President

Attest

A handwritten signature in cursive script that reads "David Wald".

Secretary

\$35,380,000
(AGGREGATE MAXIMUM PRINCIPAL AMOUNT)
CITY OF GLADSTONE, MISSOURI
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(PARKSIDE INVESTORS PROJECT)
SERIES 2021

RECORDING MEMORANDUM

Real Estate Recordings

The following documents were recorded in the Office of the Recorder of Deeds of Clay County, Missouri, as follows:

<u>Document</u>	<u>Recording Date</u>	<u>Time</u>	<u>Book No.</u>	<u>Page No.</u>
Special Warranty Deed	January 12, 2022	3:41 p.m.	9281	8
Quit Claim Deed	January 12, 2022	3:41 p.m.	9281	7
Memorandum of Lease Agreement	January 12, 2022	3:41 p.m.	9281	9
Memorandum of Performance Agreement	January 12, 2022	3:41 p.m.	9281	10

* * *



December 21, 2021

City of Gladstone, Missouri
Gladstone, Missouri

Parkside Investors, LLC
North Kansas City, Missouri

Security Bank of Kansas City, as Trustee
Kansas City, Kansas

Re: \$35,380,000 Maximum Principal Amount of the City of Gladstone, Missouri, Taxable Industrial Revenue Bonds (Parkside Investors Project), Series 2021 (the “Bonds”);

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Gladstone, Missouri (the “City”), of the above-referenced Bonds. The Bonds will bear interest, will mature and will be subject to redemption and payment prior to maturity as set forth in the Trust Indenture dated as of December 1, 2021 (the “Indenture”), between the City and Security Bank of Kansas City, as trustee. *Unless otherwise expressly provided herein, capitalized terms herein shall have the meanings assigned to them in the Indenture.*

The Bonds have been authorized and issued under and pursuant to Article VI, Section 27(b) of the Missouri Constitution, as amended, Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (collectively the “Act”), and the Indenture for the purpose of providing funds to pay a portion of the Project consisting of the construction of an approximately 220 unit apartment complex to be known as “Parkside,” and approximately 9,000 sq. ft. retail center on the Project Site, and other significant improvements.

We have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds, which transcript includes, among other documents and proceedings, the following documents, which are collectively referred to herein as the “Bond Documents:”

(a) Indenture;

- (b) Lease Agreement dated as of December 1, 2021 (the “Lease Agreement”), between the City, as lessor, and Parkside Investors, LLC, a Missouri limited liability company (the “Company”), as lessee;
- (c) Performance Agreement dated as of December 1, 2021 (the “Performance Agreement”), between the City and the Company; and
- (d) Bond Purchase Agreement dated as of December 1, 2021 (the “Bond Purchase Agreement”), between the City and the Company, as purchaser of the Bonds.

We have also examined the Act, insofar as the same relates to the authorization and issuance of the Bonds and the authorization, execution and delivery of the Bond Documents.

We have relied on the opinion of Withers, Brant, Igoe & Mullennix, P.C., counsel to the Company, of even date herewith, with respect to, among other matters, (a) the due organization of the Company, (b) the good standing and qualification to do business of the Company, (c) the power of the Company to enter into and perform its obligations under the applicable Bond Documents to which it is a party, and (d) the due authorization, execution and delivery of the respective Bond Documents to which the Company is a party and the binding effect and enforceability thereof against the Company.

We have relied on the opinion of Williams & Campo, P.C., counsel to the City, of even date herewith, with respect to, among other matters, (a) the valid and due authorization and approval of the Ordinance by the City; (b) the power of the City to enter into and perform its obligations under the applicable Bond Documents to which it is a party, and (b) the due authorization, execution and delivery of the respective Bond Documents to which the City is a party and the binding effect and enforceability thereof against the City.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The City is a third class city and municipal corporation of the State of Missouri and has lawful power and authority to issue the Bonds and to enter into the Bond Documents and to perform its obligations thereunder.
2. The Bonds are in proper form and have been duly authorized in accordance with the Constitution and statutes of the State of Missouri, including the Act, and constitute a valid and legally binding special obligation of the City, payable from the sources described in the Indenture and the Bonds.
3. The Bond Documents have been duly authorized, executed and delivered by the City and constitute valid and legally binding agreements of the City, enforceable against the City in accordance with the respective provisions thereof.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

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, 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) any sales tax exemption on materials used in the construction of the Project Improvements pursuant to Article III, Section 39(10) of the Missouri Constitution and Section 144.062, RSMo, and (ii) the compliance by the City or

December 21, 2021

Page 4

any other person or entity with applicable federal and state securities laws and/or regulations in connection with the transactions evidenced by the Bonds.

We have not been engaged or undertaken to review the accuracy, adequacy, completeness, or sufficiency any offering material relating to the Bonds, 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

LAW OFFICES

WITHERS, BRANT, IGOE
& MULLENNIX, P.C.

CONN WITHERS (1907-1993)
JEROME E. BRANT
VINCENT F. IGOE, JR.
RONALD C. MULLENNIX
THOMAS C. CAPPS
WARD K. BROWN
RODNEY A. AMES
TRAVIS A. WYMORE *

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LANDON W. MAGNUSON *
W. ISAAC FREESTONE

OF COUNSEL:
JOHN M. CROSSETT
LARRY D. HARMAN
DAVID K. HOLDSWORTH
* *ALSO ADMITTED IN KANSAS*

December 20, 2021

City of Gladstone, Missouri
7010 North Holmes Street
Gladstone, Missouri 64118

Armstrong Teasdale, LLP
101 East High Street
Jefferson City, Missouri 65101

Security Bank of Kansas City, as Trustee
701 Minnesota Avenue
Kansas City, Kansas 66101

Re: \$35,380,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, of the City of Gladstone, Missouri.

Ladies and Gentlemen:

Our firm serves as legal counsel to Parkside Investors, LLC, a Missouri limited liability company (the "Company"). As counsel for the Company, we have examined the following in connection with the issuance and sale of the above-referenced Bonds:

- (a) Organizational documents of the Company and minutes of the meetings of the governing body of the Company;
- (b) Lease Agreement dated as of December 1, 2021 (the "Lease Agreement"), between the Company, as lessee, and the City, as lessor;
- (c) Performance Agreement dated as of December 1, 2021 (the "Performance Agreement"), between the City and the Company;
- (d) Special Warranty Deed dated as of December 1, 2021 (the "Deed"), from the Company in favor of the City;

- (e) Bond Purchase Agreement dated December 1, 2021 (the “Bond Purchase Agreement”), between the Company and the City; and
- (f) Such other records and instruments of the Company, together with applicable certificates of public officials and such other documents as we deem relevant in rendering this opinion.

Based upon such examination, we are of the opinion that:

1. The Company is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Missouri.
2. The Lease Agreement, the Performance Agreement, the Deed, and the Bond Purchase Agreement (collectively, the “Company Documents”) have been duly authorized by all requisite action on the part of the Company, and each such document has been duly executed and delivered by or on behalf of the Company by duly authorized officers of the Company, and constitute the Company’s valid and binding obligations, enforceable in accordance with their respective terms (except as such enforceability may be limited by any bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or any general principles of equity, including without limitation, the exercise of judicial discretion in connection with any grant of specific performance).
3. The execution, delivery and compliance with the provisions of the Company Documents by the Company have not and will not (with the passage of time or the giving of notice, or both) result in or constitute a breach of or default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company is a party or by which it or any of its property is bound, or violate any provision of the organizational documents of the Company, or any constitutional or statutory provision applicable to the Company or its property, or any order, rule or regulation of any court or governmental authority applicable to the Company or its property.
4. All consents, approvals, authorizations or orders of, or registrations or filings with, any court or governmental agency or body required with respect to the Company for the valid execution and delivery by the Company of, or the performance of its obligations under, the Company Documents have been obtained or made.
5. There is no action, suit or other proceeding pending or, to the best of our knowledge, threatened against the Company, at law or in equity or before any governmental authority, which might adversely affect the validity or enforceability of the Company Documents or the ability of the Company to perform its obligations under the Company Documents or which might materially and adversely affect the condition, financial or otherwise, of the Company.

Very truly yours,



W. Isaac Freestone

WILLIAMS &
CAMPO, P.C.

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December 21, 2021

City of Gladstone, Missouri
Gladstone, Missouri

Armstrong Teasdale LLP
Kansas City, Missouri

Security Bank of Kansas City, as Trustee
Gladstone, Missouri

Parkside Investors, LLC
North Kansas City, Missouri

Re: \$35,380,000 Maximum Principal Amount of Taxable Industrial Development Revenue Bonds (Parkside Investors Project), Series 2021, of the City of Gladstone, Missouri

Ladies and Gentlemen:

Our firm is serving as City Counselor for the City of Gladstone, Missouri (the "City"), and as such I have examined:

- (a) Ordinance No. 4.577 passed by the City Council at the meeting held on December 13, 2021 (the "Ordinance");
- (b) Excerpt of minutes of the meeting of the City Council held on December 13, 2021;
- (c) City's Closing Certificate dated December 21, 2021; and
- (d) such other records, certificates, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions as of the date hereof and under existing law:

1. The City is a public body corporate and politic, duly organized and existing under the laws of the State of Missouri.
2. The Ordinance has been duly passed by the City Council of the City and approved by the Mayor of the City.
3. There are no proceedings pending or, to the best of my knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the Ordinance or the power of authority of the City to enter into the documents described therein.

4. The foregoing opinion is limited only in the following respects: (i) opinions expressed in this letter are limited to matters of Missouri law, as it exists on the date of this opinion; (ii) no opinion is expressed as to the applicability of the Securities Act of 1933, the Trust Indenture Act 1939, or the "blue sky" laws of any state, including Missouri; (iii) no opinion is expressed as to the validity or tax status of the Bonds; (iv) enforceability of the documents may be limited by the subsequent course of dealings between the parties; (v) no search of the records of the Recorder of Deeds of Clay County or the Missouri Secretary of State has been made by me; (vi) the recorded status of the real property is to be established by the title insurance company; (vii) I personally have not conducted an audit or review of the financial records of the City; and (viii) this opinion may be relied upon only by the addressees.

Very truly yours,

Williams & Campo, P.C.

WILLIAMS & CAMPO, P.C.