

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

**\$10,595,000**

**The Industrial Development Authority of the City of Kansas City, Missouri**  
**Tax-Exempt Infrastructure Bonds**  
**(NNSA National Security Campus Project – MoDOT Funded Transportation Improvements)**  
**Series 2010**

**Dated: Date of Delivery**

**Due: September 1 as shown below**

The Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements), Series 2010 (the "**Bonds**") will be issued by The Industrial Development Authority of the City of Kansas City, Missouri (the "**Authority**") pursuant to Bond Trust Indenture dated as of June 1, 2010 (the "**Indenture**"), between the Authority and Bank of Kansas City, N.A. (the "**Trustee**").

The Bonds are issuable as fully registered bonds and, when issued, will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof. Purchasers of beneficial interests ("**Beneficial Owners**") will not receive certificates representing their interests in the Bonds. So long as the Bonds are registered in the name of Cede & Co. as nominee of DTC, references herein to the owners shall mean Cede & Co., and shall not mean the Beneficial Owners of the Bonds. See "**THE BONDS – Book-Entry System**" herein.

The Bonds are special, limited obligations of the Authority payable in part from certain payments received (i) from the Missouri Highways and Transportation Commission ("**MHTC**") under a Missouri Highways and Transportation Commission Cost Share Agreement dated January 7, 2010, as amended and supplemented, between the City of Kansas City, Missouri (the "**City**") and MHTC which payments have been assigned by the City pursuant to the terms of a City Financing Agreement dated as of June 1, 2010 (the "**City Financing Agreement**") among the Authority, the City and the Trustee, and (ii) from The Planned Industrial Expansion Authority of Kansas City, Missouri ("**PIEA**") pursuant to an Infrastructure Financing Agreement, dated as of June 1, 2010 (the "**Infrastructure Financing Agreement**") among the Authority, PIEA and the Trustee. See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**"

Interest on the Bonds will accrue from the date of issuance and be payable semi-annually on each March 1 and September 1, commencing March 1, 2011. Principal on the Bonds will be paid on the maturity dates below, subject to redemption prior to maturity as described herein. See "**THE BONDS – Redemption Prior to Maturity**" herein.

**MATURITY SCHEDULE**

| <b>Maturity<br/>(September 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Yield</b> | <b>Price</b> | <b>CUSIP No.</b> |
|-----------------------------------|-----------------------------|--------------------------|--------------|--------------|------------------|
| 2013                              | \$4,650,000                 | 4.000%                   | 3.375%       | 101.826      | 48503S DN6       |
| 2014                              | 5,945,000                   | 4.000                    | 3.625        | 101.416      | 48503S DP1       |

Net proceeds from the issuance and sale of the Bonds will be made available to PIEA pursuant to the terms of the Infrastructure Financing Agreement (i) to finance a portion of the costs of a new interchange at Missouri Highway 150 and Botts Road in Kansas City, Missouri (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs associated with the issuance of the Bonds. The road improvements are designed to support a new manufacturing facility to be located at the intersection of Missouri Highway 150 and Botts Road in the City.

**The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the United States of America or of the State of Missouri or of any political subdivision thereof within the meaning of any federal, state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the United States of America or of the State of Missouri or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State of Missouri shall not in any event be liable for the payment of the principal of or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or against its taxing power. The Authority has no power to tax.**

The Bonds are subject to certain risks. See the caption "**BONDHOLDERS' RISKS**" in this Official Statement.

**This cover page contains information for quick reference only and is not a summary of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.**

The Bonds are being offered by the Underwriter when, as and if issued by the Authority and delivered to and accepted by the Underwriter, and subject to its right to reject any orders in whole or in part. Certain legal matters will be passed upon by Gilmore and Bell, P.C., Bond Counsel, by Bryan Cave LLP for the Authority and for PIEA, and by the Hardwick Law Firm LLC for the Underwriters. It is expected that the Bonds will be delivered through the facilities of DTC on or about July 22, 2010.

**Oppenheimer & Co. Inc.**

**Valdés & Moreno, Inc.**

July 15, 2010

## **IMPORTANT INFORMATION ABOUT THIS OFFICIAL STATEMENT**

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters or by any person to give any information or to make any representation with respect to the Bonds offered hereby, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any offer, solicitation or sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement at any time nor any sale made hereunder shall under any circumstances create any implication that the information herein is correct as of any time subsequent to its date.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this Official Statement is deemed final as of the date hereof, except that certain information described in paragraph (b)(1) of such rule may be omitted from any preliminary version of this document.

Certain statements in this Official Statement are forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terms, such as “believes,” “expects,” “may,” “intends,” “will,” “should” and “anticipates” or variations on those terms. No assurance can be given that the future results covered by the forward-looking statements will be achieved. Forward-looking statements are subject to uncertainties that could cause actual results to differ materially from those expressed or implied. Certain of these uncertainties are discussed under the heading “**BONDHOLDERS’ RISKS**,” which prospective investors are urged to read carefully.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR “BLUE SKY” LAWS. THE BONDS ARE BEING OFFERED IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT, ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

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## SUMMARY STATEMENT

*The following summary is qualified in its entirety by, and should be read in conjunction with, the detailed information appearing elsewhere in this Official Statement, including the Appendices hereto, and by each of the documents referenced herein. Prospective investors should read this entire Official Statement prior to making an investment decision.*

- The Bonds** ..... The Authority will issue its Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements), Series 2010 (the “**Bonds**”) pursuant to the Bond Trust Indenture dated as of June 1, 2010 (the “**Indenture**”), between the Authority and Bank of Kansas City, N.A. (the “**Trustee**”).
- The Authority and PIEA** ..... The Industrial Development Authority of the City of Kansas City, Missouri (the “**Authority**”) is a public corporation organized and existing under the laws of the State of Missouri (the “**State**”). The Planned Industrial Expansion Authority of Kansas City, Missouri (“**PIEA**”) is a planned industrial expansion authority organized and existing under the laws of the State.
- Use of Proceeds** ..... Proceeds of the Bonds will also be used (i) to finance a portion of the costs of a new interchange at Missouri Highway 150 and Botts Road in Kansas City, Missouri (the “**City**”), (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs associated with the issuance of the Bonds. The new interchange is designed to support a manufacturing facility to be located at the Intersection of Missouri Highway 150 and Botts Road in the City. See “**THE PROJECT**” herein.
- Bond Security** ..... The Bonds will be secured by the collateral described in the Indenture (the “**Infrastructure Trust Estate**”), including the right, title and interest of the Authority under the Infrastructure Financing Agreement and the City Financing Agreement, pursuant to which certain MoDOT Funds will be transferred to the Trustee. See “**SECURITY FOR THE BONDS.**”
- Interest Payment Dates** ..... Interest on the Bonds will accrue from the date of delivery and will be payable semiannually on March 1 and September 1, commencing March 1, 2011.
- Maturity Date** ..... The Bonds will mature on September 1, 2013 and September 1, 2014.

|                                     |  |
|-------------------------------------|--|
| <b>Redemption</b> .....             | The Bonds will not be subject to optional redemption except for extraordinary optional redemption on any date, in the event that a portion of the Bond proceeds transferred to the City or MoDOT from the Infrastructure Project Fund are returned to the Trustee due to a decrease in the Infrastructure Project Costs after the bidding of the Infrastructure Project. See “ <b>THE BONDS – Redemption Prior to Maturity</b> ” herein.   |
| <b>Trustee</b> .....                | Bank of Kansas City, N.A., a national banking association, will serve as the Trustee under the Indenture. See “ <b>THE TRUSTEE.</b> ”  |
| <b>Book-Entry Obligations</b> ..... | The Bonds will be issued only in book-entry form through the facilities of DTC. The Bonds will be available only in book-entry form except in certain circumstances described herein and in the Indenture. See “ <b>THE BONDS – Book-Entry System.</b> ”   |
| <b>Tax Matters</b> .....            | In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for the purpose of the federal alternative minimum tax imposed on individuals and corporations. The interest on the Bonds is excludable from gross income for Missouri income tax purposes. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See the caption “ <b>TAX MATTERS</b> ” in this Official Statement |

## OFFICIAL STATEMENT

Relating to  
\$10,595,000

The Industrial Development Authority of the City of Kansas City, Missouri  
Tax-Exempt Infrastructure Bonds  
(NNSA National Security Campus Project – MoDOT Funded Transportation Improvements),  
Series 2010

### INTRODUCTION

*Brief descriptions of the Authority, the Bonds, the Infrastructure Financing Agreement, the City Financing Agreement and the Project (as these terms are defined herein) are included in this Official Statement, including the Appendices hereto. Terms not defined herein shall have the meanings ascribed to them in Appendix A.*

#### **Purpose of the Official Statement**

The purpose of this Official Statement, including the cover page, the inside cover page, the Summary Statement and the Appendices hereto, is to provide certain information relating to the issuance and sale by The Industrial Development Authority of Kansas City, Missouri (the “**Authority**”) of its Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements), Series 2010 in the original aggregate principal amount of \$10,595,000 (the “**Bonds**”).

#### **Purpose of the Bonds**

The Bonds are to be issued for the purpose of providing funds (i) to finance a portion of the costs of a new interchange at Missouri Highway 150 and Botts Road in Kansas City, Missouri (the “**Infrastructure Project**”), (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs associated with the issuance of the Bonds in connection with the construction of certain public infrastructure improvements related to the construction, completion and equipping of a five-building campus of office and manufacturing space (the “**Project**”) by CenterPoint Zimmer LLC, a Missouri limited liability company (the “**Developer**”) to be leased to the General Services Administration (“**GSA**”) on behalf of the National Nuclear Security Administration (“**NNSA**”). Neither the Project nor any revenues received under the GSA Lease will be available as security for the Bonds. See the caption “**STRUCTURE OF THE TRANSACTION – Project Bonds**” in this Official Statement.

#### **The Authority**

The Authority is a public corporation created and existing under and by virtue of the Industrial Development Corporation Act, Chapter 349 of the Revised Statutes of Missouri, as amended (the “**Act**”). For further information concerning the Authority, see the caption “**THE AUTHORITY**” herein.

#### **Missouri Highways and Transportation Commission**

The Missouri Highways and Transportation Commission (“**MHTC**”) has agreed pursuant to a Missouri Highways and Transportation Commission Cost Share Agreement, as amended and supplemented (the “**Cost Share Agreement**”) to make certain payments to the City in connection with the road improvements. The City has assigned its rights in the Cost Share Agreement to the Authority pursuant to the City Financing Agreement, dated as of June 1, 2010 (the “**City Financing Agreement**”),

among the Authority, the City and the Trustee, pursuant to which payments from MoDOT will be received on August 1, 2013 and August 1, 2014, in amounts expected to be sufficient to pay principal and interest on the Bonds. See “**STRUCTURE OF THE TRANSACTION – MoDOT Agreements**” and “**MHTC AND MoDOT**” herein.

### **The Bonds**

The Bonds are being issued pursuant to and will be secured by a Bond Trust Indenture, dated as of June 1, 2010 (the “**Indenture**”), by and between the Authority and Bank of Kansas City, N.A. (the “**Trustee**,”). The Bonds will be dated, will mature as more particularly described herein under the caption “**THE BONDS**.” All references to the Bonds are qualified in their entirety by the definitive terms thereof and the provisions with respect thereto included in the Indenture. A brief description of the Bonds is contained in this Official Statement under the caption “**THE BONDS**.”

### **The Infrastructure Financing Agreement**

The Authority will make the proceeds of the Bonds available pursuant to the terms of the Infrastructure Financing Agreement dated as of June 1, 2010 (the “**Infrastructure Financing Agreement**” and together with the City Financing Agreement, the “**Financing Agreements**”), among the Authority, PIEA and the Trustee. See the caption “**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — The Infrastructure Financing Agreement**” in this Official Statement and the caption “**SUMMARY OF CERTAIN ADDITIONAL PROVISIONS OF THE INDENTURE, THE INFRASTRUCTURE FINANCING AGREEMENT AND THE CITY FINANCING AGREEMENT**” in **Appendix B** to this Official Statement for further information.

### **Security for the Bonds**

The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the United States of America or of the State of Missouri or of any political subdivision thereof within the meaning of any federal, state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the United States of America or of the State of Missouri or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State of Missouri shall not in any event be liable for the payment of the principal of or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or against its taxing power. The Authority has no power to tax. See the caption “**SOURCES OF PAYMENT SECURITY FOR THE BONDS**” in this Official Statement.

The Bonds will be issued pursuant to the Act and will be issued under, and will be equally and ratably secured by, the Indenture. Under the Indenture, security for the Bonds consists of (i) all right, title and interest of the Authority in, to and under the Financing Agreements and to all MoDOT Funds (defined below), and (ii) all other moneys and securities from time to time held by the Trustee under the terms of the Indenture.

### **Continuing Disclosure Agreement**

The Authority will enter into a Continuing Disclosure Agreement with the Bank of Kansas City, N.A., as dissemination agent, for the benefit of the owners of the Bonds to send certain financial information and operating data to certain information repositories semi-annually and to provide notice to such information repositories or the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12, as amended



(the “Rule”). See **Appendix C** to this Official Statement for the form of the Continuing Disclosure Agreement.

### **Bondholders’ Risks**

Payment of the principal of, premium, if any, and interest on the Bonds is subject to certain risks. See the caption “**BONDHOLDERS’ RISKS**” herein.

### **Definitions and Summaries of Certain Legal Documents**

Definitions of certain words and terms used in this Official Statement are set forth in **Appendix A** of this Official Statement. Summaries of the Indenture, the Infrastructure Financing Agreement and the City Financing Agreement are included in **Appendix B** of this Official Statement. **Appendix C** contains the form of Continuing Disclosure Agreement and **Appendix D** is a form of Opinion of Bond Counsel. Such definitions and summaries do not purport to be comprehensive or definitive. Descriptions of the Project, the Authority and certain other participants in the Project, the Bonds, security for the Bonds, the Indenture, the Financing Agreement, and other agreements relating to the Project are included in this Official Statement, including the appendices hereto. All summaries or descriptions in this Official Statement of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries in this Official Statement of the Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in those documents and agreements. Reference should be made to the forms of documents available from the Authority at 20 East Fifth Street, Suite 200, Kansas City, Missouri 64106, Attention: Executive Director, prior to the issuance of the Bonds, and afterwards at the corporate trust office of the Trustee at 4600 Madison, Suite 800, Kansas City, Missouri 64112, Attention: Corporate Trust Department.

### **Miscellaneous**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

For further information with respect to this Official Statement please contact Oppenheimer & Co. Inc., 4717 Grand Avenue, Suite 700, Kansas City, Missouri 64112 Attention: Matthew Webster, (816) 932-7208.

## **STRUCTURE OF THE TRANSACTION**

### **Overview**

In order to provide funds to finance the Infrastructure Project, the Authority will issue the Bonds. The net proceeds of the sale of the Bonds shall be paid over to the Trustee for the account of the Authority. The Authority and PIEA agree pursuant to the Infrastructure Financing Agreement to transfer such net proceeds of the Bonds to the City to be used by the City (along with certain funds from the Project Bonds described below) to fund the City’s obligations to MoDOT under the Missouri Highways and Transportation Commission Cost Share Agreement dated January 7, 2010, as amended by the Cost Share Supplemental Agreement No. 1 (collectively, the “**Cost Share Agreement**”). Such funds (estimated to be approximately \$11,116,400) will be used by MoDOT to construct the Infrastructure Project.

The City has covenanted under the City Financing Agreement to transfer the net proceeds of the Bonds to MoDOT to be used to finance the Infrastructure Project. Pursuant to the City Financing Agreement the City has pledged and assigned its right to receive the MoDOT Funds to the Authority to repay the Bonds.

## **MoDOT Agreement**

The City and MHTC have entered into a Missouri Highways and Transportation Commission Municipal Agreement (the “Municipal Agreement” and with the Cost Share Agreement, the “**MoDOT Agreement**”) in connection with the maintenance, design and construction of road improvements at the intersection on Missouri Highway 150 at Botts Road, new lanes on Missouri Highway 150 and the reconstruction of a portion of Botts Road.

Pursuant to the Cost Share Agreement, MoDOT has agreed to pay to the City up to \$5,000,000 on August 1, 2013 and up to \$5,000,000 on August 1, 2014 (the “**MoDOT Funds**”) as a 50% match with City funds relating to the costs of the Infrastructure Project. In addition, if MoDOT realizes cost savings in constructing the Infrastructure Project, a portion of such savings may be due to the City and any such savings amount will be paid by MoDOT and in turn assigned to the Trustee as security for the Bonds under the Cost Share Agreement. Under the City Financing Agreement the City has granted a security interest in its rights to the MoDOT Funds to the Authority (who has assigned its rights to the Trustee) and the City has agreed that the MoDOT Funds will be transferred to the Trustee. The obligation to repay the Bonds will be secured by the Trust Estate and an assignment and pledge of the MoDOT Funds available under the Cost Share Agreement.

## **Project Bonds**

On July 12, 2010, the Authority issued its \$687,133,000 aggregate principal amount of Taxable GSA Lease Revenue Bonds (NNSA National Security Campus Project) Series 2010 (the “**Project Bonds**”) under a separate Bond Trust Indenture dated as of June 1, 2010, between the Authority and Wells Fargo Bank Northwest, National Association. The Project Bonds are being issued in a private placement and are NOT being offered pursuant to this Official Statement. See “**THE GSA PROJECT**” herein.

## **BONDHOLDERS’ RISKS**

*The following is a discussion of certain risks that could affect payments to be made with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in **Appendix B**, copies of which are available as described herein.*

### **In General**

Investment in the Bonds involves risks. The Bonds may be affected by a variety of factors including those described below.

The Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from the MoDOT Funds and certain other funds held by the Trustee under the Indenture and not from any other fund or source of the Authority. No representation or assurance can be given that revenues will be realized in amounts sufficient to make such payments under the Financing Agreements.

### **MoDOT Funds Subject to Annual Appropriation**

MoDOT Funds payable to the City under the Cost Share Agreement with MHTC are subject to annual appropriation by the General Assembly of the State of Missouri.

### **Cancellation of MoDOT Agreements**

Under the Cost Share Agreement, MHTC has the right to cancel the Cost Share Agreement at any time for a material breach of the City's contractual obligations by providing the City with written notice of cancellation. The City's contractual obligations under the Cost Share Agreement include selection of a design consultant, review of plans and bids for the Infrastructure Project and the conveyance of necessary right-of-way. If MHTC were to cancel the Cost Share Agreement there is no alternate source of revenue under the Financing Agreements to pay debt service on the Bonds.

### **Certain Matters Relating to Enforceability**

The remedies available upon a default under the Indenture, the Financing Agreements or, with respect to the Bonds, will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitution and statutory law and judicial decisions, including the United States Bankruptcy Code and state laws concerning the remedies specified in the Indenture and the Financing Agreements may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Bonds will be expressly subject to the qualification that the enforceability of the Indenture, the Financing Agreements and other legal documents is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

### **Enforcement of Remedies**

Enforcement of the remedies available to the Trustee and the bondowners, including those under the Financing Agreements and the Indenture, are in many respects dependent upon judicial action which is often subject to discretion and delay, may be limited or restricted by federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which shall limit the specific enforcement under laws of the State as to certain remedies; to the exercise by the United States of America of the powers delegated to it by the United States Constitution; and to the reasonable and necessary exercise, in certain exceptional situations of the police power inherent in the sovereignty of the State of Missouri and its governmental bodies, in the interest of serving an important public purpose.

### **No Registration**

The Bonds are not currently required to be, have not been, and are not intended to be, registered under the Securities Act of 1933, as amended, nor have the Bonds been qualified or registered under the securities or blue sky laws of any state. The Indenture is not currently required to be, has not been, and is not intended to be, qualified under the Trust Bond Indenture Act of 1939, as amended.

### **In Summary**

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

**ESTIMATED SOURCES AND USES OF BONDS**

The estimated sources and uses of funds are as follows:

**Estimated Sources of Funds**

|                              |                        |
|------------------------------|------------------------|
| Proceeds of the Bonds.....   | \$10,595,000.00        |
| Developer contribution ..... | 10,702,750.00          |
| Original Issue Premium.....  | <u>169,090.20</u>      |
|                              | <b>\$21,466,840.20</b> |

**Estimated Uses of Funds**

|  |                            |
|--|----------------------------|
| Initial deposit to Project Fund <sup>1</sup> .....           | \$18,983,866.03            |
| Initial deposit to Costs of Issuance Fund <sup>2</sup> ..... | 273,062.50                 |
| Initial deposit to Debt Service Reserve Fund.....            | 1,059,500.00               |
| Initial deposit to Capitalized Interest Fund .....           | <u>1,150,411.67</u>        |
| <br>Total Estimated Uses of Funds.....                       | <br><b>\$21,466,840.20</b> |

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<sup>1</sup> The deposit to the Project Fund consists of proceeds from the Bonds and proceeds of the Project Bonds as a Developer contribution.\

<sup>2</sup> Includes Underwriters' discount.

**SECURITY AND SOURCES OF PAYMENT FOR BONDS**

**General**

The Bonds and the interest thereon are special, limited obligations of the Authority, payable solely from the MoDOT Funds and certain other funds held by the Trustee under the Indenture and not from any other fund or source of the Authority. No representation or assurance can be given that revenues will be realized in amounts sufficient to make such payments under the Financing Agreements with respect to the Bonds.

**Trust Estate**

The obligations of the Authority under the Indenture and the Bonds will be secured by the Indenture, pursuant to which the Authority will transfer in trust, pledge and assign to the Trustee, and grant a security interest to the Trustee in, the Infrastructure Trust Estate, which is defined to include, among other things, (i) all right, title and interest of the Authority in, to and under the Financing Agreements and to all MoDOT Funds and (ii) all other moneys and securities from time to time held by the Trustee under the terms of the Indenture.

## THE BONDS

### General

The Bonds will be dated their date of delivery and will mature on the dates and in the amounts as shown on the cover page hereof.

The Bonds will initially be issued as fully registered bonds in the book-entry only form in minimum denominations of \$25,000 and any amount integral multiple of \$5,000 in excess thereof.

### Interest on the Bonds

The Bonds will bear interest at the rates set forth on the cover page hereof from their date of delivery payable semiannually on March 1 and September 1, commencing March 1, 2011 (each, an "Interest Payment Date"). Calculations of interest on the Bonds will be based on a 360-day year of twelve 30-day months.

### Redemption Prior to Maturity

The Bonds shall not be subject to optional redemption, except for extraordinary optional redemption described below.

The Bonds are subject to extraordinary optional redemption by the Authority on any date, in the event that a portion of the Bond proceeds transferred to the City or MoDOT from the Infrastructure Project Fund are returned to the Trustee due to a decrease in the Infrastructure Project Costs after the bidding of the Infrastructure Project. Such funds (the "**MoDOT Returned Funds**") shall be deposited in the Debt Service Fund by the Trustee, and used to redeem the Bonds pro rata based on outstanding principal amount by maturity together with accrued interest thereon to the date fixed for redemption by the Authority. Any MoDOT Returned Funds not used to redeem Bonds in accordance with this Section shall remain in the Debt Service Fund and used to pay the next successive principal and/or interest payment on the Bonds to become due.

### Book-Entry System

**General.** The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the "**Book-Entry System**") maintained by The Depository Trust Company "**DTC**"), New York, New York. The following information in this section concerning DTC and DTC's Book-Entry System has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each principal maturity of the Bonds and will be held by the Trustee as DTC's "Fast" agent.

**DTC and its Participants.** DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct**

**Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

**Purchases of Ownership Interests.** Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

**Transfers.** To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

**Notices.** Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

**Redemption notices will be sent to DTC.** Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

**Voting.** Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures.

Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

**Payments of Principal, Redemption Price and Interest.** Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**Discontinuation of Book-Entry System.** DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority does not take any responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

## THE AUTHORITY

### The Authority

The Bonds are limited obligations of the Authority, payable solely from revenues and receipts pledged therefor. **THE BONDS ARE NOT AN INDEBTEDNESS OF THE CITY, THE STATE OF MISSOURI OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION OR RESTRICTION AND ARE NOT PAYABLE IN ANY MANNER BY TAXATION.**

The Authority was created on February 14, 1978, as an industrial development corporation accordance with the Act. The Authority was organized in order to protect and promote the health, welfare and safety of the citizens of the State of Missouri, to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to locate in and remain in the City of Kansas City, Missouri, and to stimulate and develop the general economic welfare and prosperity of the citizens of the City of Kansas City, Missouri, and thereby to further promote, stimulate and develop the economic welfare and prosperity of the State of Missouri and to achieve greater industrial development in the State of Missouri. Under the Act, the Authority is authorized and empowered to issue revenue bonds for the purpose of paying the costs of "projects" (as defined in the Act) such as the Infrastructure Project and the

Project and to loan the proceeds from the sale of such bonds for such use and secure the payment of such bonds as therein provided.

The Authority's powers are vested in seven members who are appointed by the Mayor with the advice and consent of a majority of the City Council of the City. The chief officers of the Authority are its Chairman of the Board, President and Vice Presidents, Secretary and Treasurer. In addition, the Authority may appoint such other officers, agents and employees as it may require. The current membership of the Authority and the offices each member holds is as follows:

| <u>Member</u>       | <u>Office</u>                  |
|---------------------|--------------------------------|
| Frederick Riesmeyer | Chairman                       |
| Jane Kieffer        | President                      |
| Ricardo Lopez       | 1 <sup>st</sup> Vice President |
| Vacant              | 2 <sup>nd</sup> Vice President |
| Jim Wilson          | 3 <sup>rd</sup> Vice President |
| Elizabeth Fast      | Secretary                      |
| Charles Gatson      | Treasurer                      |

Alfred Figuly serves as Executive Director and Assistant Secretary to the Authority.

**EXCEPT FOR INFORMATION CONCERNING THE AUTHORITY IN THE SECTIONS HEREOF CAPTIONED "THE AUTHORITY" AND "LITIGATION," NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY AND THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.**

Neither the Authority nor any official or employee thereof has participated in the preparation of or assumed any responsibility concerning this Official Statement, and all of the information contained herein (except under this caption) has been furnished by others.

***Other Indebtedness of the Authority***

The Authority has sold and delivered other bonds and notes secured by instruments separate and apart from, and not secured by, the Indenture securing the Bonds. The holders and owners of such bonds and notes have no claim on assets, funds or revenues of the Authority pledged under the Indenture, and the owners of the Bonds will have no claim on assets, funds or revenues of the Authority securing other bonds and notes.

With respect to additional indebtedness of the Authority, the Authority intends to enter into separate agreements for the purpose of providing financing for other eligible projects and programs. Issues that may be sold by the Authority in the future will be created under separate and distinct indentures or resolutions and secured by instruments, properties and revenues separate from those securing the Bonds.

**PIEA**

PIEA is a public corporation duly organized and existing under the laws of the State of Missouri, including particularly Senate Bill 362 passed by the 74<sup>th</sup> General Assembly of the State of Missouri (the "**PIEA Act**"). PIEA was created in 1974 as a planned industrial development authority in accordance with the PIEA Act. PIEA was organized in order to foster commercial and industrial development in specifically designated redevelopment areas of the City. PIEA exercises broad development powers, including the right to issue revenue bonds for land acquisition, construction and equipment purchases, the



right to exercise the power of eminent domain, and the right to offer tax abatements on improvements to property. PIEA HAS NO TAXING POWERS.

PIEA’s powers are vested in a 15 member board of commissioners who are appointed by the Mayor with the advice and consent of a majority of the City Council of the City. The chief officers of PIEA are its Chairman, Vice Chairman, Secretary and Treasurer.

EXCEPT FOR INFORMATION CONCERNING PIEA IN THIS SECTION AND “LITIGATION,” NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY PIEA, AND PIEA MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

### **MHTC AND MoDOT**

MHTC is a bipartisan, six-member commission, the members of which are appointed by the Governor of Missouri with the advice and consent of the Senate of the Missouri General Assembly. The commissioners are appointed to staggered terms of six years each, or until their successors are appointed and qualified. No more than three commissioners may be of the same political party. MHTC is the governing body of MoDOT and appoints the Director, and the Secretary to MoDOT. All other MoDOT appointments are made by the Director, with the approval of MHTC.

The current Commissioners and their terms are as follows:

| <u>Commissioners</u>                         | <u>Residence</u> | <u>Occupation</u>               | <u>Term Expires</u> |
|--|------------------|---------------------------------|---------------------|
| <b>Rudolph E. Farber</b> , Chairman          | Neosho           | Banker                          | March 1, 2013       |
| <b>David A. Gach</b> , Vice Chairman         | St. Joseph       | Diesel Repair<br>Business Owner | March 1, 2011       |
| <b>Duane S. Michie</b> , Member <sup>1</sup> | Hayti            | Banker                          | March 1, 2009       |
| <b>Stephen R. Miller</b> , Member            | Kansas City      | Lawyer                          | March 1, 2011       |
| <b>Grace M. Nichols</b> , Member             | St. Charles      | Retired Judge                   | March 1, 2013       |
| <b>Lloyd J. Carmichael</b> , Member          | Springfield      | Lawyer                          | March 1, 2015       |

\* Under the State Transportation Statutes, Mr. Michie continues to serve as a Commissioner until reappointed or a successor is appointed and qualified.

### **History and Organization**

In 1907, the Missouri Legislature created the position of state highway engineer, reporting to the Board of Agriculture, to assist counties in the development of highway improvements. The State Highway Department was created in 1913 to act as the State’s agent for public roads. Congress passed the Federal Highway Act in 1916, which made federal funds available to states based on area, population and postal road mileage, and in 1917 Missouri passed legislation, which allowed it to receive federal funds, and created the State Road Fund and a four-member State Highway Board. The State Highway Commission was created in 1921 with the passage of the Centennial Road Law and was charged with the administration of the network of connecting state highways, including their location, design, construction and maintenance. In 1952, the Missouri Highway Department took over responsibility for almost 12,000 miles of county highways, bringing 95% of all Missourians within two miles of a hard-surfaced road.

The Missouri State Department of Transportation was created in 1974. The Department was authorized to administer those state transportation system and modes as delegated to it by state law, which

included airports, rapid transit, ports and railroads. On November 6, 1979, an amendment to the Missouri Constitution was passed by the State's voters that provided for the Department of Transportation to merge with the State Highway Department to form the Department of Highways and Transportation. This amendment gave the renamed Highways and Transportation Commission (referred to herein as MHTC) authority over all State transportation programs and facilities. The name of the Department was changed to the Missouri Department of Transportation by legislation in 1996 and was ratified by constitutional amendment on November 2, 2004.

MoDOT is divided into a central office and ten geographic districts. The central office provides staff assistance and functional control for the various departmental tasks in the districts, with emphasis on two main central office functions: policy development and quality assurance. Bridge design and financial planning services for the State are handled at the central office through liaisons with the districts. Decisions about state highway design, construction, maintenance and operations are made at the district level.

Waterways, transit, aviation, freight development and railroads are separate units within the central office and report to a multimodal operations director, who reports to the chief engineer. These units carry out the statewide planning for these modes, for which there are no counterparts in the districts.

#### **THE TRUSTEE**

Bank of Kansas City, N.A. is a national banking association formed under the laws of the United States with its principal place of business at 4600 Madison Avenue, Suite 800, Kansas City, Missouri 64112 Phone 816-932-7303 Fax 816-932-7315.

#### **THE INFRASTRUCTURE PROJECT**

The proceeds of the Bonds will be used to provide a portion of the costs of the construction of a new interchange at Missouri Highway 150 and Botts Road. The new interchange will replace an existing at-grade intersection to increase safety and traffic capacity as industrial and light industrial development occurs in this area.

The intersection is adjacent to the GSA Project, described below, and the Kansas City Southern Intermodal Facility, a rail truck intermodal facility operating at the former Richards-Gebaur Air Force Base site. The Kansas City Intermodal Facility is a direct link to international freight movement with shipments delivered from the United States and Mexico ports, via the Kansas City Southern Railroad, to this facility and then transloaded to trucks for continued goods movement.

#### **THE GSA PROJECT**

*This discussion of the GSA Project described in this section is being financed with proceeds of separate bonds issued by the Authority. None of the proceeds of the Bonds will be used for the GSA Project and revenues and security for the GSA Project will not secure the Bonds issued under this Official Statement.*

After a competitive bidding process, the United States of America, acting through the GSA (the "**Federal Government**") selected the Developer to construct and develop a new National Security Campus for the NNSA on approximately 177 acres of land (the "**Land**") located in the City. The Project will be located at the northwest corner of Missouri Highway 150 and Botts Road. The Land is directly north of a 1,400-acre, seven million square foot intermodal industrial development site planned for development and known as the Kansas City Southern Intermodal Yard. The Project will be made up of

four main buildings, including a 330,851 square foot three-story office building, and 1,179,099 square feet of attached manufacturing buildings, as well as a covered yard, the central utility plant (the “CUP”), a Kansas City Power & Light substation, and 2,500 surface parking spaces (collectively, the “**Project Improvements**,” together with the Land, the “**Project**”). The Project will include office, manufacturing, laboratory, and manufacturing space for the NNSA, and will replace an existing 3,100,000 square foot facility that has been continuously operating as a facility by NNSA and its predecessors in Kansas City for more than sixty years.

To facilitate development and financing of the Project and provide for certain economic and tax incentives, PIEA will own the Land and the Project Improvements when constructed, and will lease the Project to CPZ Holding LLC (the “**Ground Lessee**”) pursuant to a lease (the “**PIEA Lease**”). The Ground Lessee, as sublandlord, will sublease the Project to the Developer pursuant to a sublease (the “**Sublease**”). The Developer, as sub-sublandlord, will sub-sublease the Project pursuant to the GSA Lease (as defined in the PIEA Lease) to the Federal Government, as sub-subtenant. Upon the expiration of the PIEA Lease, the Ground Lessee will own the Project.

### **The Department of Energy and the National Nuclear Security Administration**

The United States Department of Energy is a cabinet level agency of the United States government that is responsible for energy policy and nuclear safety. NNSA was established by Congress in 2000 as a separately organized agency within the DOE. NNSA maintains and improves the safety, reliability and performance of the United States nuclear weapons and is responsible for the Stockpile Stewardship Program, nuclear non-proliferation and the naval reactor program. The NNSA is expected to be the tenant under the GSA Lease.

### **History and Need for the Project**

The NNSA’s existing facility for non-nuclear component procurement and manufacturing at the Bannister Federal Complex in south Kansas City, Missouri (the “**Kansas City Plant**”) is made up of more than 3,100,000 square feet (housed in an approximately 5,500,000 square foot facility) and has been in use for more than 60 years. The Kansas City Plant, built by the Navy during World War II to assemble engines for Navy fighter planes, was operated by Pratt-Whitney from early 1943 until September 2, 1945, and produced the famous “Double Wasp” engines for the Navy. In February of 1949 the Atomic Energy Commission asked the Bendix Corporation (a predecessor of Honeywell Federal Manufacturing & Technologies, LLC) to manage the Kansas City Plant and build nonnuclear components for nuclear weapons.

### **DESCRIPTION OF INDENTURE FUNDS AND ACCOUNTS; FLOW OF FUNDS**

The Indenture creates and establishes the Infrastructure Project Fund, the Debt Service Fund, the Costs of Issuance Fund, the Debt Service Reserve Fund, the Capitalized Interest Fund and the Rebate Fund (collectively, the “**Indenture Funds**”). The Indenture Funds, and all accounts therein created shall constitute trust funds for the purposes provided in the Indenture, and shall secure all of the Bonds on a parity basis. Moneys held in the Indenture Funds and the accounts therein shall be subject to a lien and charge in favor of the Bondholders in the manner and to the extent provided in the Indenture.

#### ***Infrastructure Project Fund.***

The Trustee shall disburse the moneys on deposit in the Infrastructure Project Fund within two (2) Business Days after receipt by the Trustee of a written disbursement request of PIEA. In making a payment described in this paragraph, the Trustee may rely upon such written requests and accompanying certificates and invoices and shall not be required to make any independent inspection or investigation in connection therewith. The Trustee shall keep and maintain adequate records pertaining to the

Infrastructure Project Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Infrastructure Project Fund with the Authority and PIEA.

If on May 15, 2014, there shall remain any moneys in the Infrastructure Project Fund, such moneys shall be deposited in the Debt Service Fund to pay the next successive principal and/or interest payment on the Bonds to become due.

***Debt Service Fund.***

The Trustee shall deposit and credit to the Debt Service Fund, as and when received, as follows:

- (a) The amounts required to be deposited therein from proceeds of the Bonds.
- (b) All MoDOT Funds.
- (c) Any amount required to be transferred to the Debt Service Fund from the Infrastructure Project Fund, the Costs of Issuance Fund, the Debt Service Reserve Fund or the Capitalized Interest Fund pursuant to the Indenture.
- (d) Interest earnings and other income on Investment Securities required to be deposited in the Debt Service Fund pursuant to the Indenture.
- (e) Any amounts required by a Supplemental Bond Indenture authorizing the issuance of additional bonds to be deposited in the Debt Service Fund, as specified in such Supplemental Bond Indenture.
- (f) All other moneys received by the Trustee under and pursuant to any of the provisions of the Indenture or the Financing Agreements for deposit into the Debt Service Fund.

The moneys in the Debt Service Fund shall be held in trust and, except as otherwise provided herein, shall be expended solely (a) to pay interest on the Bonds as the same becomes due, (b) to pay principal of the Bonds as the same mature or become due and upon mandatory sinking fund redemption thereof, and (c) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity. The Trustee is authorized and directed to withdraw sufficient funds from the Debt Service Fund to pay principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to any paying agent for the purpose of paying said principal, redemption premium, if any, and interest.

After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in the Indenture), and the fees, charges and expenses of the Trustee and the Authority, and any other amounts required to be paid under the Indenture, the Infrastructure Financing Agreement and the City Financing Agreement, all amounts remaining in the Debt Service Fund, if any, shall be paid to the City.

***Costs of Issuance Fund.***

Moneys on deposit in the Costs of Issuance Fund shall be paid out from time to time by the Trustee upon the written request of the PIEA and approved by the Authority. Notwithstanding the foregoing, the Trustee is directed without further authorization to pay out of the Costs of Issuance Fund the Authority's issuance fee and the Authority's counsel fee upon receipt of statements from the Authority and the Authority's counsel. At such time as the Trustee is furnished with a certificate of the Authorized PIEA Representative stating that all Costs of Issuance have been paid for on account of the

Costs of Issuance Fund, the Trustee shall transfer any moneys remaining in the Costs of Issuance Fund to the Debt Service Fund or the Infrastructure Project Fund, as directed by the Authority.

***Debt Service Reserve Fund.***

Except as otherwise provided in the Indenture, moneys in the Debt Service Reserve Fund shall be used solely to make up any deficiencies in the Debt Service Fund and, if moneys in the Debt Service Fund are insufficient to pay the principal of or interest on the Bonds that are secured by the Debt Service Reserve Fund as the same become due, the Trustee shall transfer an amount sufficient to make up such deficiency from the Debt Service Reserve Fund to the Debt Service Fund, which amount shall be applied to the payment of the principal or interest due with respect to such Bonds. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds be otherwise paid, and thereafter any remaining balance in the Debt Service Reserve Fund shall be paid to the City. In the event the funds in the Debt Service Reserve Fund shall be insufficient, the Debt Service Reserve Fund shall be applied pro rata to the payment of the Bonds according to the amounts then due.

The Investment Securities held in the Debt Service Reserve Fund shall be valued at the market value thereof. The Trustee shall value Investment Securities in the Debt Service Reserve Fund (i) as of the first Business Day of January and July of each year, beginning January 1, 2011, and (ii) on any date there is a draw on the Debt Service Reserve Fund pursuant to the paragraph above, and shall furnish a copy of such valuation to the Authority. If on the first Business Day of any January or July, the Debt Service Reserve Fund exceeds an amount that is equal to the Debt Service Reserve Fund Requirement, the Trustee shall transfer such excess to the Debt Service Fund.

***Capitalized Interest Fund.***

On the Business Day immediately preceding March 1, 2011, September 1, 2011, March 1, 2012, September 1, 2012, and March 1, 2013, the Trustee shall transfer from the Capitalized Interest Fund to the Debt Service Fund an amount sufficient to pay the interest due, or a portion thereof if the amount on deposit therein is insufficient, on the Bonds on such payment dates.

Upon such payment on March 1, 2013, the Trustee shall transfer all remaining moneys in the Capitalized Interest Fund to the Debt Service Fund.

***Rebate Fund***

The Trustee will deposit in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the payment provisions provided in the next paragraph below, all amounts on deposit at any time in the Rebate Fund will be held by the Trustee in trust, to the extent required to pay arbitrage rebate to the United States of America, and the Authority, PIEA and the Bondowners shall not have any rights in or claim to such moneys. All amounts held in the Rebate Fund will be applied as provided in the Indenture and the Tax Compliance Agreement.

Pursuant to the Tax Compliance Agreement, the Trustee will remit all arbitrage rebate and a final rebate payment to the United States of America. The Trustee has no obligation to rebate any amounts required to be rebated pursuant to the Indenture and the Tax Compliance Agreement, other than from moneys held in the funds and accounts created under the Indenture or from other moneys provided to the Trustee.

## TAX MATTERS

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

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF THE BONDS ARE HEREBY NOTIFIED THAT: (A) THE OPINION OF BOND COUNSEL AND ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFICIAL STATEMENT, RELATING TO THE BONDS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS OF THE BONDS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF THE BONDS UNDER THE INTERNAL REVENUE CODE; (B) THE DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF THE BONDS SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR BASED ON THEIR PARTICULAR UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE BONDS.

### **The Bonds**

*Opinion of Bond Counsel.* In the opinion of Gilmore & Bell, P.C., Bond Counsel, interest on the Bonds is excluded from gross income for Federal income tax purposes and is exempt from income taxation by the State of Missouri.

*Original Issue Premium.* An amount equal to the excess of the purchase price of a Bond over its stated principal amount at maturity constitutes premium on such Bond. An owner of a Bond must amortize any premium over such Bond's term using constant yield principles, based on the Bond's yield to maturity. As premium is amortized, the owner's basis in such Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Owners of any Bonds purchased at a premium, whether at the time of initial issuance or subsequent thereto, should consult their individual tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Bonds.

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

*State and Local Taxation.* Except with respect to Missouri income taxation, the discussion above does not address the tax consequences of purchase, ownership or disposition of the Bonds under any state or local tax law. Investors should consult their own tax advisors regarding state and local tax consequences.

*Other Tax Consequences.* The forgoing is not intended to be a complete description of all Federal or Missouri income tax consequences associated with an investment in the Bonds, and except as described under “*Opinion of Bond Counsel,*” Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors regarding the particular tax consequences to them of an investment in such bonds.

### **Sale, Exchange or Retirement of Bonds**

Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

## **LITIGATION**

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority or PIEA taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Bonds or the existence or powers of the Authority or PIEA.

## **UNDERWRITING**

Oppenheimer & Co. Inc. has agreed, subject to certain conditions, to purchase the Bonds from the Authority at a price of \$10,605,165.20 (which reflects the principal amount of the Bonds plus original issue premium of \$169,090.20 less an Underwriter’s discount of \$158,925.00). The initial public offering price set forth on the cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering price set forth on the cover page.

## **LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds will be passed upon by Gilmore and Bell, P.C., Bond Counsel, by Bryan Cave LLP for the Authority and PIEA, and by the Hardwick Law Firm, LLC for the Underwriter.

### **NO RATING**

No application for a rating has been made to any rating agency, nor is there any reason to believe that the Authority would have been successful in obtaining an investment grade rating for the Bonds had application been made.

### **APPENDICES**

Appendices A through D are integral parts of this Official Statement and should be read in conjunction with the foregoing material.



**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF KANSAS CITY,  
MISSOURI**

By: /s/ Frederick H. Riesmeyer, II  
Name: Frederick H. Riesmeyer, II  
Title: Chairman

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## APPENDIX A

### GLOSSARY OF CERTAIN DEFINED TERMS

The following terms shall, for all purposes of the Official Statement, have the following meanings unless the context shall clearly indicate some other meaning:

“**Act**” means Chapter 349, Revised Statutes of Missouri, as amended and supplemented from time to time.

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

“**Authority**” means The Industrial Development Authority of the City of Kansas City, Missouri, a public corporation organized and existing under the laws of the State, and its successors and assigns.

“**Authority Representative**” means (a) the Executive Director, Chairman, President or any Vice President of the Authority, (b) such other Person or Persons at the time designated to act on behalf of the Authority in matters relating to the Bond Indenture, the Infrastructure Financing Agreement and the City Financing Agreement as evidenced by a written certificate furnished to PIEA and the Bond Trustee containing the specimen signature of such Person or Persons and signed on behalf of the Authority by its Executive Director, Chairman, President or any Vice President, and (c) any other duly authorized officer of the Authority whose authority to execute any particular instrument or take a particular action under the Bond Indenture, the Infrastructure Financing Agreement or the City Financing Agreement shall be evidenced to the satisfaction of the Bond Trustee.

“**Authorized PIEA Representative**” means (a) the Chairman, Vice Chairman or Executive Director of PIEA, (b) such other Person or Persons at the time designated to act on behalf of PIEA in matters relating to the Bond Indenture and the Infrastructure Financing Agreement as evidenced by a written certificate furnished to the Authority and the Bond Trustee containing the specimen signature of such Person or Persons and signed on behalf of PIEA by its Chairman, Vice Chairman or Executive Director, and (c) any other duly authorized officer of PIEA whose authority to execute any particular instrument or take a particular action under the Bond Indenture or the Infrastructure Financing Agreement shall be evidenced to the satisfaction of the Authority and the Bond Trustee.

“**Bond**” or “**Bonds**” means the Authority’s Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements) Series 2010, authenticated and delivered under and pursuant to the Bond Indenture.

“**Bond Counsel**” means Gilmore & Bell, P.C. or any other attorney or firm of attorneys reasonably acceptable to the Authority and the Bond Trustee, having a national reputation for skill in connection with the authorization and issuance of municipal obligations in the State.

“**Bond Indenture**” means the Bond Trust Indenture dated as of June 1, 2010, as originally executed by the Authority and the Bond Trustee, as from time to time amended and supplemented by Supplemental Bond Indentures in accordance with the provisions of the Bond Indenture.

“**Bondowner**” or “**Owner**” means the registered owner of Bonds as recorded on the books maintained for registration and transfer of the Bonds.

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

“**Bond Purchaser**” means Oppenheimer & Co. Inc.

“**Bond Trustee**” means Bank of Kansas City, N.A., in its capacity as trustee, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Bond Indenture.

“**Book Entry Form**” or “**Book Entry System**” means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Depository or the Bond Trustee on behalf of the Depository.

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

“**Capitalized Interest Fund**” means the fund by that name created in the Bond Indenture.

“**City**” means Kansas City, Missouri, a constitutional charter city, and its successors and assigns.

“**City Financing Agreement**” means the City Financing Agreement dated as of June 1, 2010, among the Authority, the Bond Trustee and the City, as from time to time amended by Supplemental City Financing Agreements in accordance with the provisions of the City Financing Agreement.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement dated as of June 1, 2010, between the Authority and the Bond Trustee, as Dissemination Agent, as from time to time amended in accordance with the provisions thereof.

“**Control**” or “**Controlled**” means, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

“**Costs of Issuance**” means issuance costs and expenses with respect to the Bonds, including but not limited to the following:

(a) any underwriting fee to the Bond Purchaser (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public);

(b) counsel fees (including Bond Counsel, Bond Purchaser’s counsel, PIEA counsel, Authority counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) financial advisor fees of any financial advisor to the Authority incurred in connection with the issuance of the Bonds;

(d) rating agency fees, if any;

- (e) paying agent, escrow agent and Bond Trustee fees;
- (f) printing costs (for the preliminary and final Official Statement relating to the Bonds); and
- (g) fees and expenses of the Authority and PIEA incurred in connection with the issuance of the Bonds.

**“Costs of Issuance Fund”** means the fund by that name created in the Bond Indenture.

**“Debt Service Fund”** means the fund by that name created in the Bond Indenture.

**“Debt Service Requirements”** means, for the period of time for which calculated and for the Bonds subject to such calculation, the aggregate principal payments (whether at maturity, or upon mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest payments required to be made during such period on such Bonds.

**“Debt Service Reserve Fund”** means the fund by that name created in the Bond Indenture.

**“Debt Service Reserve Fund Requirement”** means, with respect to the Bonds, the sum of \$1,059,500, which is the sum, at the date of original issuance of the Bonds, equal to the least of (A) 10% of the original aggregate principal amount of the Bonds, (B) the Maximum Annual Debt Service on the Bonds in any future Fiscal Year following such date, or (C) 125% of the average future annual debt service on the Bonds.

**“Defeasance Obligations”** means Government Securities which are not subject to redemption prior to maturity.

**“Depository”** means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in municipal bonds, and to effect transfers of municipal bonds, in Book Entry Form, and includes and means initially The Depository Trust Company, New York, New York.

**“Developer”** means CenterPoint Zimmer LLC, a Missouri limited liability company, and its successors and assigns.

**“Dissemination Agent”** has the meaning set forth in the Continuing Disclosure Agreement.

**“Event of Default”** has the meaning set forth in Article VII of the Bond Indenture, or as defined in the Infrastructure Financing Agreement or City Financing Agreement, as applicable.

**“Financing Documents”** means the Bond Indenture, the Bonds, the Infrastructure Financing Agreement, the City Financing Agreement, the Bond Purchase Agreement, the Tax Compliance Agreement and the Continuing Disclosure Agreement; and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words “Financing Documents” are used in the context of the authorization, execution, delivery, approval or performance of Financing Documents by a particular party, the same shall mean only those

Financing Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

“**Fiscal Year**” means the fiscal year adopted by the Authority for accounting purposes, which as of the execution of the Bond Indenture commences on May 1 and ends on April 30.

“**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.

“**Infrastructure Bond Trust Estate**” has the meaning set forth in the granting clauses of the Bond Indenture.

“**Infrastructure Financing Agreement**” means the Infrastructure Financing Agreement dated as of June 1, 2010, among the Authority, the Bond Trustee and PIEA, as from time to time amended by Supplemental Infrastructure Financing Agreements in accordance with the provisions of the Infrastructure Financing Agreement.

“**Infrastructure Project**” means financing a portion of the costs of a new interchange at Route 150 and Botts Road in Kansas City, Missouri from the proceeds of the sale of the Bonds.

“**Infrastructure Project Costs**” means all reasonable or necessary costs and expenses permitted under the Act to be paid out of proceeds of the Bonds with respect to the Infrastructure Project, including the total of all reasonable or necessary expenses incidental to the acquisition, construction, improvement and extension of the Infrastructure Project.

“**Infrastructure Project Fund**” means the fund by that name created in the Bond Indenture, including within such fund the Tax-Exempt Proceeds Account and the Project Bonds Proceeds Account.

“**Interest Payment Date**” means each March 1 and September 1, commencing March 1, 2011, and any other day on which the principal of and interest on the Bonds is due and payable, whether upon redemption or at maturity, whether scheduled or accelerated. In any case where an Interest Payment Date is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding day that is a Business Day with the same force and effect as if such payment was made on the originally scheduled date and no interest shall accrue for the period after the 1<sup>st</sup> day of said March or September through the date payment is actually made.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“**Investment Securities**” means any of the following securities:

(a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (b) below to the extent they are unconditionally guaranteed by the United States of America;

(b) obligations of the Federal National Mortgage Association, 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 Association;

(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 the Bond 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, time deposits and demand deposits, issued by any financial institution organized under the laws of any state of the United States of America or under the laws of the United States of America (including the Bond Trustee and 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 (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Bond Trustee or a custodian bank, trust company or national banking association. The bank, trust company or national banking association holding security with respect to each such certificate of deposit required to be so secured shall furnish the Bond 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 Bond 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, whose only assets are obligations described in (a) above or repurchase agreements in connection with such obligations; and

(f) Any other investment approved in writing by the Owners of 100% of the Outstanding principal amount of the Bonds.

**“Maximum Annual Debt Service”** means, for the Bonds subject to such calculation, the maximum amount of the Debt Service Requirements on such Bonds as computed for the then current or any succeeding Fiscal Year.

**“MODOT”** means the Missouri Highways and Transportation Commission, and its successors and assigns.

**“MODOT Agreement”** means the Missouri Highways and Transportation Commission Cost Share Agreement dated January 7, 2010, as supplemented by the Missouri Highways and Transportation Commission Cost Share Supplemental Agreement No. 1 dated June 10, 2010, as further supplemented and amended.

**“MODOT Funds”** means any funds transferred to the Bond Trustee by MODOT or by the City pursuant to the City Financing Agreement and/or the MODOT Agreement for deposit into the Debt Service Fund.

**“Officer’s Certificate”** means either a written certificate of the Authority signed by the respective Authority Representative or a written certificate of PIEA signed by the respective Authorized PIEA Representative, which certificate shall be deemed to constitute a representation of, and shall be

binding upon, the Authority or PIEA, as applicable, with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Bond Trustee.

**“Opinion of Bond Counsel”** means a written opinion of Bond Counsel, addressed to the Authority and the Bond Trustee, for the benefit of the Authority, the Bond Trustee and the Bondowners.

**“Opinion of Counsel”** means a written opinion of any legal counsel having expertise in the matters covered in such opinion and acceptable to the Bond Trustee and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the Authority, PIEA or the Bond Trustee.

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

- (a) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of **Section 1002**; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Bond Indenture.

**“Paying Agent”** means the Bond Trustee acting as such, and any other paying agent appointed pursuant to the Bond Indenture.

**“Person”** means any natural person, firm, association, corporation, partnership, joint stock company, a joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

**“PIEA”** means The Planned Industrial Expansion Authority of Kansas City, Missouri, a planned industrial expansion authority duly organized and existing under the laws of the State of Missouri, and its successors and assigns or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of PIEA.

**“Principal Payment Date”** means each date on which a principal installment is due and payable on the Bonds, whether at maturity, or upon redemption or acceleration or otherwise.

**“Project Bonds”** means the Authority’s Taxable GSA Lease Revenue Bonds (NNSA National Security Campus Project) Series 2010, issued under the Project Indenture.

**“Project Bonds Proceeds Account”** means the Project Bonds Proceeds Account of the Infrastructure Project Fund created in the Indenture.

**“Project Bond Trustee”** means Wells Fargo Bank Northwest, National Association, in its capacity as trustee under the Project Indenture, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Project Indenture.

**“Project Indenture”** means the Bond Trust Indenture dated as of June 1, 2010, between the Authority and the Bond Trustee relating to the Project Bonds.



**“Rebate Fund”** means the fund by that name created in the Indenture.

**“State”** means the State of Missouri.

**“Supplemental Bond Indenture”** means any indenture supplemental or amendatory to the Bond Indenture entered into by the Authority and the Bond Trustee pursuant to the Bond Indenture.

**“Supplemental City Financing Agreement”** means any agreement supplemental or amendatory to the City Financing Agreement entered into by the Authority, the Bond Trustee and the City pursuant to the City Financing Agreement.

**“Supplemental Infrastructure Financing Agreement”** means any agreement supplemental or amendatory to the Infrastructure Financing Agreement entered into by the Authority, the Bond Trustee and PIEA pursuant to the Infrastructure Financing Agreement.

**“Tax Compliance Agreement”** means the Tax Compliance Agreement dated as of June 1, 2010, among the Authority, PIEA and the Bond Trustee, as the same may be amended, supplemented or restated from time to time.

**“Tax-Exempt Proceeds Account”** means the Tax-Exempt Proceeds Account of the Infrastructure Project Fund created in the Indenture.

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## **APPENDIX B**

### **SUMMARY OF CERTAIN ADDITIONAL PROVISIONS OF THE BOND INDENTURE, THE INFRASTRUCTURE FINANCING AGREEMENT AND THE CITY FINANCING AGREEMENT**

*The following are summaries of certain provisions of the Bond Indenture, the Infrastructure Financing Agreement and the City Financing Agreement. The summaries do not purport to be complete, and reference is made to the full text of the Bond Indenture, the Infrastructure Financing Agreement and the City Financing Agreement, respectively, for a complete recital of their terms.*

#### **THE BOND INDENTURE**

##### **Title and Amount of Bonds**

No Bonds may be issued under the Bond Indenture except in accordance with the provisions of the Bond Indenture. The Bonds authorized to be issued under the Bond Indenture shall be designated as “The Industrial Development Authority of the City of Kansas City, Missouri Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements) Series 2010.” The total principal amount of Bonds that may be issued under the Bond Indenture is expressly limited to the amount set forth in the Bond Indenture.

##### **Nature of Obligation**

The Bonds and the interest thereon shall be special obligations of the Authority payable solely out of the Infrastructure Bond Trust Estate and not from any other fund or source of the Authority, and are secured by a pledge and assignment of the Infrastructure Bond Trust Estate to the Bond Trustee in favor of the Bondowners, as provided in the Bond Indenture. The Bonds and the interest thereon shall not constitute general obligations of the Authority or the State of Missouri, and neither the Authority nor said State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

##### **Execution and Authentication of Bonds**

The Bonds shall be executed on behalf of the Authority by the signature of its Chairman, President or any Vice President and attested by the signature of its Secretary or Assistant Secretary, and shall have the corporate seal of the Authority affixed thereto or imprinted thereon. If any officer whose signature appears on any Bonds shall cease to hold such office before the authentication and delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be secured by, or be entitled to any lien, right or benefit under, the Bond Indenture or be valid or obligatory for any purpose, unless the certificate of authentication thereon is executed by the Bond Trustee by manual signature of an authorized officer or signatory of the Bond Trustee, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered under the Bond Indenture. At any time and from time to time after the execution and delivery of the Bond Indenture, the Authority may deliver Bonds executed by the Authority to the Bond Trustee for authentication and the Bond Trustee shall authenticate and deliver such Bonds as provided in the Bond Indenture and not otherwise.

## **Registration, Transfer and Exchange of Bonds**

The Bond Trustee shall keep books for the registration and for the transfer of the Bonds as provided in the Bond Indenture.

The Bonds may be transferred only upon the books kept for the registration and transfer of the Bonds upon surrender thereof to the Bond Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Bond Trustee.

The Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities law. In all cases in which Bonds shall be exchanged or transferred under the Bond Indenture the provisions of any legend restrictions on the Bond shall be complied with and the Authority shall execute and the Bond Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of the Bond Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Bond Trustee. The Authority or the Bond 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. Neither the Authority nor the Bond Trustee shall be required to make any such exchange or transfer of Bonds during the 15 days immediately preceding an Interest 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.

## **Persons Deemed Owners of Bonds**

As to any Bond, the Person in whose name the same shall be registered as shown on the bond registration books required by the Bond Indenture shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the 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.

## **Creation of Funds and Accounts**

There are created and ordered under the Bond Indenture, to be established in the custody of the Bond Trustee, the following special trust funds and accounts with respect to the Bonds, to be designated as follows:

- (a) "The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Infrastructure Project Fund" (the "Infrastructure Project Fund"), and within such fund two separate and segregated accounts designated the Tax-Exempt Proceeds Account and the Project Bonds Proceeds Account.
- (b) "The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Debt Service Fund" (the "Debt Service Fund").

- (c) “The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Costs of Issuance Fund” (the “Costs of Issuance Fund”).
- (d) “The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Debt Service Reserve Fund” (the “Debt Service Reserve Fund”).
- (e) “The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Capitalized Interest Fund” (the “Capitalized Interest Fund”).
- (f) “The Industrial Development Authority of the City of Kansas City, Missouri—NNSA National Security Campus Project Rebate Fund” (the “Rebate Fund”).

The Bond Trustee is authorized to establish separate accounts within such funds or otherwise segregate moneys within such funds, on a book-entry basis or in such other manner as the Bond Trustee may deem necessary or convenient, or as the Bond Trustee shall be instructed by the Authority.

All moneys deposited with or paid to the Bond Trustee for the funds and accounts held under the Bond Indenture shall be held by the Bond Trustee in trust and shall be applied only in accordance with the provisions of the Bond Indenture, the Infrastructure Financing Agreement and the City Financing Agreement, and, until used or applied as provided in the Bond Indenture, shall constitute part of the Infrastructure Bond Trust Estate and be subject to the lien, terms and provisions in the Bond Indenture and shall not be commingled with any other funds of the Authority except as provided in the Bond Indenture for investment purposes.

If an Event of Default specified in the Bond Indenture has occurred and is continuing and the Bonds have been declared due and payable pursuant to the Bond Indenture, any balance remaining in the Infrastructure Project Fund, the Costs of Issuance Fund, the Debt Service Reserve Fund and the Capitalized Interest Fund shall without further authorization be deposited in the Debt Service Fund by the Bond Trustee, with notice to the Authority of such actions.

### **Infrastructure Project Fund**

The Bond Trustee shall disburse the moneys on deposit in the respective accounts of the Infrastructure Project Fund within two (2) Business Days after receipt by the Bond Trustee of a written disbursement request of PIEA and approved by the Authority, in substantially the form attached to the Bond Indenture. In making a payment pursuant to this Section, the Bond Trustee may rely upon such written request and accompanying certificates and invoices and shall not be required to make any independent inspection or investigation in connection therewith.

The Bond Trustee shall keep and maintain adequate records pertaining to the Infrastructure Project Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Infrastructure Project Fund with the Authority and PIEA.

If on May 15, 2014 there shall remain any moneys in the separate accounts of the Infrastructure Project Fund, such moneys shall be deposited in the Debt Service Fund to pay the next successive principal and/or interest payment on the Bonds to become due.

## **Debt Service Fund**

The Bond Trustee shall deposit and credit to the Debt Service Fund, as and when received, as follows:

- (a) The amounts required to be deposited therein under the Bond Indenture.
- (b) All MODOT Funds.
- (c) Any amount required to be transferred to the Debt Service Fund from the Infrastructure Project Fund, the Costs of Issuance Fund, the Debt Service Reserve Fund or the Capitalized Interest Fund pursuant to the Bond Indenture.
- (d) Interest earnings and other income on Investment Securities required to be deposited in the Debt Service Fund pursuant to the Bond Indenture.
- (e) Any amounts required by a Supplemental Bond Indenture authorizing the issuance of additional bonds to be deposited in the Debt Service Fund, as specified in such Supplemental Bond Indenture.
- (f) All other moneys received by the Bond Trustee under and pursuant to any of the provisions of the Bond Indenture, the Infrastructure Financing Agreement or the City Financing Agreement for deposit into the Debt Service Fund.

The moneys in the Debt Service Fund shall be held in trust and, except as otherwise provided in the Bond Indenture, shall be expended solely (a) to pay interest on the Bonds as the same becomes due, (b) to pay principal of the Bonds as the same mature or become due, (c) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption prior to maturity, and (d) to pay the annual Bond Trustee fees. The Bond Trustee is authorized and directed to withdraw sufficient funds from the Debt Service Fund to pay principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to any paying agent for the purpose of paying said principal, redemption premium, if any, and interest.

After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in the Bond Indenture), and the fees, charges and expenses of the Bond Trustee and the Authority, and any other amounts required to be paid under the Bond Indenture, the Financing Agreement and the City Financing Agreement, all amounts remaining in the Debt Service Fund, if any, shall be paid to the City.

## **Costs of Issuance Fund**

Moneys on deposit in the Costs of Issuance Fund shall be paid out from time to time by the Bond Trustee upon the written request of PIEA and approved by the Authority, in substantially the form attached to the Bond Indenture. Notwithstanding the foregoing, the Bond Trustee is directed without further authorization to pay out of the Costs of Issuance Fund the Authority's issuance fee, PIEA's issuance fee and the Authority's counsel fee upon receipt of statements from the Authority, PIEA and the Authority's counsel. At such time as the Bond Trustee is furnished with a certificate of the Authorized PIEA Representative stating that all Costs of Issuance have been paid for on account of the Costs of Issuance Fund, the Bond Trustee shall transfer any moneys remaining in the Costs of Issuance Fund to the

Debt Service Fund or the Tax-Exempt Proceeds Account of the Infrastructure Project Fund, as directed by the Authority.

### **Debt Service Reserve Fund**

Except as provided in the Bond Indenture, moneys in the Debt Service Reserve Fund shall be used solely to make up any deficiencies in the Debt Service Fund and, if moneys in the Debt Service Fund are insufficient to pay the principal of or interest on the Bonds that are secured by the Debt Service Reserve Fund as the same become due, the Bond Trustee shall transfer an amount sufficient to make up such deficiency from the Debt Service Reserve Fund to the Debt Service Fund, which amount shall be applied to the payment of the principal or interest due with respect to such Bonds. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds be otherwise paid, and thereafter any remaining balance in the Debt Service Reserve Fund shall be paid to the City. In the event the funds in the Debt Service Reserve Fund shall be insufficient, the Debt Service Reserve Fund shall be applied pro rata to the payment of the Bonds according to the amounts then due.

The Investment Securities held in the Debt Service Reserve Fund shall be valued at the market value thereof. The Bond Trustee shall value Investment Securities in the Debt Service Reserve Fund (i) as of the first Business Day of March and September of each year, beginning March 1, 2011, and (ii) on any date there is a draw on the Debt Service Reserve Fund pursuant to the paragraph immediately above, and shall furnish a copy of such valuation to the Authority. If on the first Business Day of any March or September the Debt Service Reserve Fund exceeds an amount that is equal to the Debt Service Reserve Fund Requirement, the Bond Trustee shall transfer such excess to the Debt Service Fund.

### **Capitalized Interest Fund**

On the Business Day immediately preceding March 1, 2011, September 1, 2011, March 1, 2012, September 1, 2012 and March 1, 2013, the Bond Trustee shall transfer from the Capitalized Interest Fund to the Debt Service Fund an amount sufficient to pay the interest due, or a portion thereof if the amount on deposit therein is insufficient, on the Bonds on March 1, 2011, September 1, 2011, March 1, 2012, September 1, 2012 and March 1, 2013.

Upon such payment on March 1, 2013, the Bond Trustee shall transfer all remaining moneys in the Capitalized Interest Fund to the Debt Service Fund.

### **Rebate Fund**

The Bond Trustee will deposit in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the payment provisions provided in the immediately following paragraph, all amounts on deposit at any time in the Rebate Fund will be held by the Bond Trustee in trust, to the extent required to pay arbitrage rebate to the United States of America, and the Authority, PIEA, and the Bondowners shall not have any rights in or claim to such moneys. All amounts held in the Rebate Fund will be applied as provided in the Bond Indenture and the Tax Compliance Agreement.

Pursuant to the Tax Compliance Agreement, the Bond Trustee will remit all arbitrage rebate and a final rebate payment to the United States of America. The Bond Trustee has no obligation to rebate any amounts required to be rebated pursuant to this Section and the Tax Compliance Agreement, other than from moneys held in the funds and accounts created under the Bond Indenture or from other moneys provided to the Bond Trustee.

Notwithstanding any other provision of the Bond Indenture, the obligation to pay the arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds.

Upon the payment of all arbitrage rebate to the United States of America under the Tax Compliance Agreement, all moneys remaining in the Rebate Fund will be remitted to the City.

### **Non-Presentation of Bonds**

In the event any Bond shall not be 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 Bond Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith terminate and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such funds in trust, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Indenture or on or with respect to said Bond. If any Bond is not presented for payment within 4 years following the date when such Bond becomes due, whether by maturity or otherwise, the Bond Trustee shall pay to PIEA 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 PIEA, and the Owner thereof shall be entitled to look only to PIEA for payment, and then only to the extent of the amount so repaid, and PIEA shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

### **Moneys to be Held in Trust**

All moneys deposited with or paid to the Bond Trustee for the funds and accounts held under the Bond Indenture, and all moneys deposited with or paid to any paying agent under any provision of the Bond Indenture shall be held by the Bond Trustee in trust and shall be applied only in accordance with the provisions of the Bond Indenture, the City Financing Agreement and the Infrastructure Financing Agreement, and, until used or applied as provided in the Bond Indenture, and except as provided in the Bond Indenture, shall constitute part of the Infrastructure Bond Trust Estate and be subject to the lien, terms and provisions in the Bond Indenture and shall not be commingled with any other funds of the Authority except as provided under the Bond Indenture for investment purposes. The Bond Trustee shall not be under any liability for interest on any moneys held uninvested under the Bond Indenture except to the extent such moneys are invested in Investment Securities.

### **Investment of Moneys**

Moneys held in each of the funds and accounts under the Bond Indenture shall be invested and reinvested by the Bond Trustee, pursuant to written directions of the Authorized PIEA Representative, in accordance with the provisions of the Bond Indenture and the Tax Compliance Agreement in Investment Securities that mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. If PIEA fails to provide written directions concerning investment of moneys held in the funds, the Bond Trustee may invest in such Investment Securities specified in paragraph (d) of the definition of Investment Securities, provided they mature or are subject to redemption prior to the date such funds will be needed. The Bond Trustee is specifically authorized to implement its automated cash investment system to invest cash and to charge its normal cash management fees, which may be deducted from earned income on investments. The Bond Trustee is authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its Affiliates, whether it or such Affiliate is acting as an agent of the Bond Trustee or for any third person or dealing as principal for its own account. The Bond Trustee may pool moneys for investment



purposes. Any such Investment Securities shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on each fund or account and any profit realized from such Investment Securities shall be credited to such fund or account, and any loss resulting from such Investment Securities shall be charged to such fund or account. The Bond Trustee shall sell or present for redemption and reduce to cash a sufficient amount of such Investment Securities whenever it shall be necessary to provide moneys in any fund or account for the purposes of such fund or account and the Bond Trustee shall not be liable for any loss resulting from such investments.

### **Authority to Issue Bonds and Execute Bond Indenture**

The Authority covenants that it is duly authorized under the constitution and laws of the State of Missouri to execute the Bond Indenture, to issue the Bonds and to pledge and assign the Infrastructure Bond Trust Estate in the manner and to the extent set forth in the Bond Indenture; that all action on its part for the execution and delivery of the Bond Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

### **Performance of Covenants**

The Authority shall (to the extent within its control) faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions which are to be performed by the Authority contained in the Bond Indenture, in the Bonds and in all proceedings pertaining thereto.

### **Limited Obligations**

The Bonds and the interest thereon shall be special, limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof) solely out of (i) funds pursuant to the Infrastructure Financing Agreement (except for fees and expenses payable to the Authority and the Authority's right to indemnification as set forth in the Infrastructure Financing Agreement), and (ii) the MODOT Funds to be transferred by the City to the Bond Trustee in accordance with the terms of the City Financing Agreement, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Infrastructure Bond Trust Estate to the Bond Trustee and in favor of the Bondowners, as provided in the Bond Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Infrastructure Financing Agreement, the City Financing Agreement and in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State of Missouri shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or against its taxing power. The Authority has no power to tax.

## **Enforcement of Rights**

The Bond Trustee, as assignee, transferee, pledgee, and owner of a security interest under the Bond Indenture in its name or in the name of the Authority may enforce all assigned rights of the Authority and the Bond Trustee and all obligations of PIEA under and pursuant to the Infrastructure Financing Agreement, the City Financing Agreement and any other Financing Documents for and on behalf of the Bondowners, whether or not the Authority is in default under the Bond Indenture.

## **Inspection of Books**

The Authority covenants and agrees that all books and documents in its possession relating to the Bonds, the Bond Indenture, the City Financing Agreement and the Infrastructure Financing Agreement, and the transactions relating thereto shall at all reasonable times be open to inspection by such accountants or other agencies as the Bond Trustee may from time to time designate. The Bond Trustee covenants and agrees that all books and documents in its possession relating to the Bonds, the Bond Indenture, the City Financing Agreement and the Infrastructure Financing Agreement, and the transactions relating thereto, including financial statements of PIEA, shall be open to inspection by the Authority during business hours upon reasonable notice.

## **Information and Opinions to be Provided to the Authority**

The Bond Trustee shall deliver to the Authority, upon written request by the Authority, copies of the financial statements and certificates required to be delivered to the Bond Trustee under the Infrastructure Financing Agreement. Each Opinion of Bond Counsel required to be addressed and delivered to the Bond Trustee under any provision of the Bond Indenture shall also be addressed and delivered to the Authority.

## **General Tax Covenants**

The Authority shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall be excludable from gross income for federal and State income tax purposes, except in the event where such Bondowner is a “substantial user” of the Infrastructure Project or a “related person” thereto.

To the extent within its power and control, the Authority will not take any action which if taken, or fail to take any action which if not taken, would cause the Bonds to violate any of the restrictions contained in the Internal Revenue Code which could affect the exclusion of the interest on the Bonds from the gross income of the Owners thereof for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code.

To the extent within its power and control, the Authority will not use, or permit to be used, any proceeds of the Bonds or any other moneys of the Authority, directly or indirectly, to acquire any securities, obligations or other investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148(a) of the Internal Revenue Code.

The Authority agrees that, to the extent within its power, it will require PIEA, pursuant to the terms and provisions of the Tax Compliance Agreement, not to commit any act or not to make any use of the proceeds of the Bonds, or any other moneys which may be deemed to be proceeds of the Bonds pursuant to the Internal Revenue Code, which would cause the Bonds to be “arbitrage bonds” within the meaning of the Internal Revenue Code, and to comply with the requirements of the Internal Revenue Code throughout the term of the Bonds. The Bond Trustee covenants that should the Authority file with

the Bond Trustee, or should the Bond Trustee receive, an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become “arbitrage bonds,” then the Bond Trustee will comply with any written instructions of the Authority or Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming “arbitrage bonds,” and the Bond Trustee will bear no liability to PIEA or the Bondowners for investments made in accordance with such instructions.

The Bond Trustee will invest funds held under the Bond Indenture in accordance with the terms of the Bond Indenture and the Tax Compliance Agreement. The Bond Trustee further covenants and agrees that should the Authority or PIEA file with the Bond Trustee (it being understood that none of the Authority or PIEA has an obligation to so file), or should the Bond Trustee receive, an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become “arbitrage bonds,” then the Bond Trustee will comply with any written instructions of Bond Counsel regarding such investment or use of proceeds to prevent the Bonds from becoming “arbitrage bonds,” and the Bond Trustee shall bear no liability to the Authority or the Bondowners for investments made in accordance with such instructions. Notwithstanding the foregoing, the Bond Trustee has no responsibility or liability with respect to the tax status of the Bonds.

### **Events of Default**

The term “Event of Default,” wherever used in the Bond Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Bond when such interest becomes due and payable;

(b) default in the payment of the principal of (or premium, if any, on) any Bond when the same becomes due and payable (whether at maturity, upon redemption, by acceleration or otherwise);

(c) default in the performance, or breach, of any covenant or agreement of the Authority in the Bond Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of 60 days after there has been given to the Authority and PIEA by the Bond Trustee or to the Authority, PIEA and the Bond Trustee by the Owners of at least 10% in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Authority shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch;

(d) any Event of Default under the Infrastructure Financing Agreement shall occur and is continuing and has not been waived in accordance with the provisions of the Infrastructure Financing Agreement;

(e) any Event of Default under the City Financing Agreement shall occur and is continuing and has not been waived in accordance with the provisions of the City Financing Agreement; or

(f) any Event of Default under the Tax Compliance Agreement shall occur and is continuing and any applicable period for remedying the default has expired.

With regard to any alleged default concerning which notice is given to PIEA under the provisions of this Section, the Authority grants PIEA, pursuant to the Bond Indenture, full authority for the account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default.

### **Acceleration of Maturity; Rescission and Annulment**

If an Event of Default under the Bond Indenture occurs and is continuing, the Bond Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by written notice to the Authority and PIEA, declare the principal of all Bonds Outstanding and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Bond Trustee as provided in the Bond Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Authority, PIEA and the Bond Trustee, rescind and annul such declaration and its consequences if:

- (a) there is deposited with the Bond Trustee a sum sufficient to pay the following:
  - (1) all overdue installments of interest on all Bonds;
  - (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds;
  - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds; and
  - (4) all sums paid or advanced by the Bond Trustee under the Bond Indenture and the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel.
- (b) all Events of Default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in the Bond Indenture.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

## Exercise of Remedies by the Bond Trustee

Upon the occurrence and continuance of any Event of Default under the Bond Indenture, unless the same is waived as provided in the Bond Indenture, the Bond Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Bond Indenture or by law:

(a) *Right to Bring Suit, Etc.* The Bond 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, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under the Bond Indenture, to realize on or to foreclose any of its interests or liens under the Bond Indenture or any other Financing Document, to enforce and compel the performance of the duties and obligations of the Authority as set forth in the Bond Indenture and to enforce or preserve any other rights or interests of the Bond Trustee under the Bond Indenture with respect to any of the Infrastructure Bond Trust Estate or otherwise existing at law or in equity.

(b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the Owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in the Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Bond Indenture as the Bond Trustee shall deem most expedient in the interests of the Bondowners.

(c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and of the Bondowners under the Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Infrastructure Bond Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) *Suits to Protect the Infrastructure Bond Trust Estate.* The Bond Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Infrastructure Bond Trust Estate by any acts which may be unlawful or in violation of the Bond Indenture and to protect its interests and the interests of the Bondowners in the Infrastructure Bond Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Bond Indenture or be prejudicial to the interests of the Bondowners or the Bond Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners in any judicial proceeding to which the Authority or PIEA is a party and which in the judgment of the Bond Trustee has a substantial bearing on the interests of the Bondowners.

(e) *Enforcement Without Possession of Bonds.* All rights of action under the Bond Indenture or any of the Bonds may be enforced and prosecuted by the Bond Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Bond Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel, and subject to the provisions of the Bond Indenture, be for the equal and ratable benefit of the Bondowners in respect of which such judgment has been recovered.

(f) *Restoration of Positions.* If the Bond Trustee or any Bondowner has instituted any proceeding to enforce any right or remedy under the Bond Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bond Trustee or to such Bondowner, then and in every case the Authority, PIEA, the Bond Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Bond Indenture, and thereafter all rights and remedies of the Bond Trustee and the Bondowners shall continue as though no such proceeding had been instituted.

### **Limitation on Suits by Bondowners**

No Bondowner shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Bond Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Bond Indenture, unless:

(a) such Bondowner has previously given written notice to the Bond Trustee of a continuing Event of Default;

(b) the Owners of not less than 25% in principal amount of the Bonds Outstanding shall have made written request to the Bond Trustee to institute proceedings in respect of such Event of Default in its own name as Bond Trustee under the Bond Indenture;

(c) such Bondowner or Bondowners have offered to the Bond Trustee indemnity as provided in the Bond Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Bond Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Bond Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more Bondowners shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Bond Indenture to affect, disturb or prejudice the lien of the Bond Indenture or the rights of any other Bondowners, or to obtain or to seek to obtain priority or preference over any other Bondowners or to enforce any right under the Bond Indenture, except in the manner provided in the Bond Indenture and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in the Bond Indenture, however, the Owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the respective stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in the Bond Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

### **Control of Proceedings by Bondowners**

If the Bond Trustee is indemnified as provided in the Bond Indenture, the Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an Event of Default to:

(a) require the Bond Trustee to proceed to enforce the Bond Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Bond Indenture, or otherwise; and

(b) direct the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under the Bond Indenture, provided that:

(1) such direction shall not be in conflict with any rule of law or the Bond Indenture;

(2) the Bond Trustee may take any other action deemed proper by the Bond Trustee which is not inconsistent with such direction; and

(3) the Bond Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

### **Application of Moneys Collected**

Any moneys collected by the Bond Trustee pursuant to Article X of the Bond Indenture (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys), together with any other sums then held by the Bond Trustee as part of the Infrastructure Bond Trust Estate, shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) First: To the payment of all amounts due the Bond Trustee under the Bond Indenture;

(b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Bond Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(c) Third: To the payment of the remainder, if any, to the City or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest 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 date shall cease to accrue. The Bond Trustee shall give such

notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

### **Rights and Remedies Cumulative**

No right or remedy conferred in the Bond Indenture upon or reserved to the Bond Trustee or to the Bondowners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under the Bond Indenture or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Bond Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. No delay or omission of the Bond Trustee or of any Bondowner to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by the Bond Indenture or by law to the Bond Trustee or to the Bondowners may be exercised from time to time, and as often as may be deemed expedient, by the Bond Trustee or by the Bondowners, as the case may be.

### **Advances by Bond Trustee**

If PIEA shall fail to make any payment or perform any of its covenants in the Financing Agreement, the Bond Trustee may, at any time and from time to time, use and apply any moneys held by it under the Bond Indenture, or make advances, to effect payment or performance of any such covenant on behalf of PIEA. All moneys so used or advanced by the Bond Trustee, together with interest at the Bond Trustee's announced prime rate per annum plus 2%, shall be repaid by PIEA upon demand and such advances shall be secured under the Bond Indenture prior to the Bonds. For the repayment of all such advances the Bond Trustee shall have the right to use and apply any moneys at any time held by it under the Bond Indenture but no such use of moneys or advance shall relieve PIEA from any default under the Bond Indenture.

### **Waiver of Past Defaults**

Before any judgment or decree for payment of money due has been obtained by the Bond Trustee as provided in the Bond Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Bond Trustee and the Authority, on behalf of the Owners of all the Bonds waive any past default under the Bond Indenture and its consequences, except a default (a) in the payment of the principal of (or premium, if any) or interest on any Bond, or (b) in respect of a covenant or provision of the Bond Indenture which cannot be modified or amended without the consent of the Owner of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Bond Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

### **Acceptance of Trusts; Certain Duties and Responsibilities**

The Bond Trustee accepts and agrees to execute the trusts imposed upon it by the Bond Indenture, but only upon the following terms and conditions:



(a) The Bond Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Bond Indenture, and no implied covenants or obligations shall be read into the Bond Indenture against the Bond Trustee; and in the absence of bad faith, negligence or willful misconduct on its part, the Bond Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bond Trustee and conforming to the requirements of the Bond Indenture; but in the case of any such certificates or opinions which by any provision of the Bond Indenture are specifically required to be furnished to the Bond Trustee, the Bond Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Bond Indenture.

(b) If an Event of Default has occurred and is continuing, the Bond Trustee shall exercise such of the rights and powers vested in it by the Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

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

(1) that this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) that the Bond Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Bond Trustee, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

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

(4) that no provision of the Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Bond Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of the Bond Indenture relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Section.

### **Certain Rights of Bond Trustee**

Except as otherwise provided in the Bond Indenture:

(a) The Bond 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, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Bond Trustee shall be entitled to rely upon an Officer's Certificate as to the sufficiency of any request or direction of the Authority or PIEA mentioned in the Bond Indenture, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been duly adopted by the board of directors or board of commissioners, as applicable, of the Authority or PIEA and is in full force and effect.

(c) Whenever in the administration of the Bond Indenture the Bond Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action under the Bond Indenture, the Bond Trustee (unless other evidence be specifically prescribed in the Bond Indenture) may, in the absence of bad faith on its part, rely upon an Officer's Certificate.

(d) The Bond Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Bond Trustee under the Bond Indenture in good faith and in reliance thereon.

(e) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Bond Indenture at the request or direction of any Person pursuant to the Bond Indenture, unless such Person shall have offered to the Bond Trustee reasonable security or indemnity against the costs, expenses and liabilities (except as may result from the Bond Trustee's own negligence or willful misconduct) which might be incurred by it in compliance with such request or direction; *provided that* the Bond Trustee may not require indemnity as a condition to declaring the principal of or interest on the Bonds to be due and payable under the Bond Indenture, or to making any payment of principal, purchase price, premium or interest on the Bonds.

(f) The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Bond Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Bond Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(g) The Bond Trustee assumes no responsibility for the correctness of the recitals contained in the Bond Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Bond Trustee makes no representations as to the value or condition of the Infrastructure Bond Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or in the Bond Indenture, or as to the validity or sufficiency of the Bond Indenture or of the Bonds. The Bond Trustee shall not be accountable for the use or application by the Authority or PIEA of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or PIEA under any provision of the Bond Indenture.

(h) The Bond Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Authority or PIEA with the same rights it would have if it were not Bond Trustee.

(i) All money received by the Bond Trustee shall, until used or applied or invested as provided in the Bond Indenture, be held in trust for the purposes for which they were received.

Money held by the Bond Trustee in trust under the Bond Indenture need not be segregated from other funds except to the extent required by law or by the Bond Indenture. The Bond Trustee shall be under no liability for interest on any money received by it under the Bond Indenture except as otherwise provided in the Bond Indenture.

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

### **Notice of Defaults**

The Bond Trustee shall not be required to take notice or be deemed to have notice of any default under the Bond Indenture except a default in any of the payments to the Bond Trustee required to be made by Article IV of the Bond Indenture, Article III of the Infrastructure Financing Agreement or Article III of the City Financing Agreement, unless the Bond Trustee shall be specifically notified in writing of such default by the Authority, PIEA, or the Owners of at least 25% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid. If any default under the Bond Indenture of which the Bond Trustee is required to take notice or has received notice as provided in this Section is, or becomes, an Event of Default, the Bond Trustee shall within 30 days of the later of the date on which the Bond Trustee was required to take notice of such default or the date on which such default became an Event of Default give written notice of such default to the Authority, PIEA and all Owners of Bonds as shown on the bond register maintained by the Bond Trustee, unless such default shall have been cured or waived.

### **Compensation and Reimbursement**

The Bond Trustee shall be entitled to payment or reimbursement, as follows:

(a) from time to time for reasonable compensation for all services rendered by it under the Bond Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided in the Bond Indenture, upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Bond Trustee in accordance with any provision of the Bond Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Bond Trustee's negligence, willful misconduct or bad faith; and

(c) to indemnify the Bond Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the Bond Indenture.

All such payments and reimbursements shall be made by PIEA with interest at the rate of interest per annum equal to the prime rate announced from time to time by the Bond Trustee.

The Bond Trustee shall promptly notify PIEA in writing of any claim or action brought against the Bond Trustee in respect of which indemnity may be sought against PIEA, setting forth the particulars

of such claim or action, and PIEA will assume the defense thereof, including the employment of counsel satisfactory to the Bond Trustee and the payment of all expenses. The Bond Trustee may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by PIEA unless (i) such employment has been specifically authorized by PIEA, (ii) in the opinion of the Bond Trustee, PIEA has failed to actively and competently pursue the defense of such claim or action, or (iii) PIEA's counsel is precluded, by the rules governing conflicts of interest, from representing the Bond Trustee.

### **Corporate Trustee Required; Eligibility**

There shall at all times be a Bond Trustee under the Bond Indenture which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State of Missouri. The Bond Trustee must have a combined capital and surplus or consolidated net worth of at least \$50,000,000, or must provide a guaranty of the full and prompt performance by the Bond Trustee of its obligations under the Bond Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the Authority, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in the Bond Indenture.

### **Resignation and Removal of Bond Trustee**

The Bond Trustee may resign at any time by giving written notice thereof to the Authority, PIEA and each Owner of Bonds Outstanding as shown by the bond register required by the Bond Indenture to be kept by the Bond Trustee. If an instrument of acceptance by a successor Bond Trustee shall not have been delivered to the Bond Trustee within 30 days after the giving of such notice of resignation, the resigning Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee.

The Bond Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under the Bond Indenture) by an instrument in writing signed by the Authority and delivered to the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Authority unless written notice of the delivery of such instrument signed by the Authority Representative is mailed to the Owners of all Bonds Outstanding under the Bond Indenture, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective not less than 60 days from the date of such notice, unless the Owners of not less than 25% in aggregate principal amount of such Bonds Outstanding shall object in writing to such removal and replacement.

If at any time (1) the Bond Trustee shall cease to be eligible under the Bond Indenture and shall fail to resign after written request therefor by the Authority or by any such Bondowner, or (2) the Bond Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Bond Trustee or of its property shall be appointed or any public officer shall take charge or control of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Authority may remove the Bond Trustee, or PIEA or any Bondowner may petition any court of competent jurisdiction for the removal of the Bond Trustee and the appointment of a successor Bond Trustee.

The Bond Trustee shall give notice of each resignation and each removal of the Bond Trustee and each appointment of a successor Bond Trustee to the registered Owners of Bonds as their names and addresses appear in the bond register maintained by the Bond Trustee. Each notice shall include the name of the successor Bond Trustee and the address of its corporate trust office.

No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee pursuant to the Bond Indenture shall become effective until the acceptance of appointment by the successor Bond Trustee under the Bond Indenture.

### **Appointment of Successor Bond Trustee**

If the Bond Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Bond Trustee for any cause, the Authority, with the written consent of PIEA (which consent shall not be unreasonably withheld) (so long as no Event of Default under the Bond Indenture or under the Financing Agreement has occurred and is continuing), or the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default under the Bond Indenture or under the Financing Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority and the retiring Bond Trustee, shall promptly appoint a successor Bond Trustee. In case all or substantially all of the Infrastructure Bond Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Bond Trustee shall be so appointed by the Authority or the Bondowners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Bond Trustee shall be appointed in the manner provided in the Bond Indenture, the successor Bond Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Bond Trustee and supersede the retiring Bond Trustee and any temporary successor Bond Trustee appointed by such receiver or trustee. If no successor Bond Trustee shall have been so appointed and accepted appointment in the manner provided in the Bond Indenture, the Bond Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Bond Trustee appointed pursuant to the provisions of this Section shall be a bank with trust powers or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of the Bond Indenture.

### **Acceptance of Appointment by Successor**

Every successor Bond Trustee appointed under the Bond Indenture shall execute, acknowledge and deliver to the Authority and to the retiring Bond Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Bond Trustee shall become effective and such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Bond Trustee; but, on request of the Authority or the successor Bond Trustee, such retiring Bond Trustee shall, upon payment of its fees, expenses and charges, execute and deliver an instrument conveying and transferring to such successor Bond Trustee upon the trusts expressed in the Bond Indenture all the estates, properties, rights, powers and trusts of the retiring Bond Trustee, and shall duly assign, transfer and deliver to such successor Bond Trustee all property and money held by such retiring Bond Trustee under the Bond Indenture. Upon

request of any such successor Bond Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Bond Trustee all such estates, properties, rights, powers and trusts.

No successor Bond Trustee shall accept its appointment unless at the time of such acceptance such successor Bond Trustee shall be qualified and eligible under the Bond Indenture.

### **Merger, Consolidation and Succession to Business**

Any corporation or association into which the Bond Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Bond Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bond Trustee, shall be the successor of the Bond Trustee under the Bond Indenture, provided such corporation or association shall be otherwise qualified and eligible under the Bond Indenture, and shall be vested with all of the title to the whole property or Infrastructure Bond Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Bond Trustee then in office, any successor by merger or consolidation to such authenticating Bond Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Bond Trustee had itself authenticated such Bonds.

### **Co-Bond Trustees and Separate Bond Trustees**

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Infrastructure Bond Trust Estate may at the time be located, or in the enforcement of any default or the exercise of any of the powers, rights or remedies granted in the Bond Indenture to the Bond Trustee, or any other action which may be desirable or necessary in connection therewith, the Bond Trustee shall have power to appoint, and, upon the written request of the Bond Trustee or of the Owners of at least 25% in principal amount of the Bonds Outstanding, the Authority shall for such purpose join with the Bond Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Bond Trustee either to act as co-trustee, jointly with the Bond Trustee, of all or any part of the Infrastructure Bond Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Authority does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Bond Trustee alone shall have power to make such appointment.

Should any written instrument from the Authority be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Authority.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations under the Bond Indenture in respect of the custody of securities, cash and

other personal property held by, or required to be deposited or pledged with, the Bond Trustee under the Bond Indenture, shall be exercised solely, by the Bond Trustee.

- (b) The rights, powers, duties and obligations conferred or imposed upon the Bond Trustee by the Bond Indenture in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Bond Trustee or by the Bond Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Bond Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.
- (c) The Bond Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the Authority, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default has occurred and is continuing, the Bond Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Authority. Upon the written request of the Bond Trustee, the Authority shall join with the Bond Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.
- (d) No co-trustee or separate trustee under the Bond Indenture shall be personally liable by reason of any act or omission of the Bond Trustee, or any other such trustee under the Bond Indenture.
- (e) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Bond Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

### **Supplemental Bond Indentures without Consent of Bondowners**

Without the consent of the Bondowners, the Authority and the Bond Trustee may from time to time enter into one or more Supplemental Bond Indentures for any of the following purposes:

- (a) to more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to substitute or add additional property thereto as permitted by the Infrastructure Financing Agreement, or to correct or amplify the description of any property at any time subject to the lien of the Bond Indenture, or better to assure, convey and confirm unto the Bond Trustee any property subject or required to be subjected to the lien of the Bond Indenture, or to subject additional property to the lien of the Bond Indenture;
- (b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as set forth in the Bond Indenture, additional conditions, limitations and restrictions thereafter to be observed;
- (c) to evidence the appointment of a separate trustee or the succession of a new trustee under the Bond Indenture;

(d) to add to the covenants of the Authority or to the rights, powers and remedies of the Bond Trustee for the benefit of the Owners of all of the Bonds or to surrender any right or power conferred in the Bond Indenture upon the Authority;

(e) to cure any ambiguity, to correct or supplement any provision in the Bond Indenture which may be inconsistent with any other provision in the Bond Indenture or to make any other change, with respect to matters or questions arising under the Bond Indenture, which shall not be inconsistent with the provisions of the Bond Indenture, provided such action shall not materially adversely affect the interests of the Bondowners; or

(f) to modify, eliminate or add to the provisions of the Bond Indenture to such extent as shall be necessary to effect the qualification of the Bond Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States.

### **Supplemental Bond Indentures with Consent of Bondowners**

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Bond Indenture, the Authority and the Bond Trustee may enter into one or more Supplemental Bond Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Indenture or of modifying in any manner the rights of the Bondowners under the Bond Indenture; provided, however, that no such Supplemental Bond Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

(a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Bond Indenture, or the consent of whose Owners is required for any waiver provided for in the Bond Indenture of compliance with certain provisions of the Bond Indenture or certain defaults under the Bond Indenture and their consequences;

(c) modify the obligation of the Authority to make payment on or provide funds for the payment of any Bond;

(d) modify or alter the provisions of the proviso to the definition of the term "Outstanding";

(e) modify any of the provisions of this Section or the Section entitled "Waiver of Past Defaults," except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Indenture cannot be modified or waived without the consent of the Bondowner affected thereby; or



(f) permit the creation of any lien ranking prior to or on a parity with the lien of the Bond Indenture with respect to any of the Infrastructure Bond Trust Estate or terminate the lien of the Bond Indenture on any property at any time subject hereto or deprive the Bondowner of the security afforded by the lien of the Bond Indenture.

The Bond Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Bond Indenture and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered under the Bond Indenture. The Bond Trustee shall not be liable for any such determination made in good faith.

### **Execution of Supplemental Bond Indentures**

In executing, or accepting the additional trusts created by any Supplemental Bond Indenture permitted by the Bond Indenture or the modification thereby of the trusts created by the Bond Indenture, the Bond Trustee and the Authority shall receive and, subject to the Bond Indenture, shall be fully protected in relying upon, an Opinion of Bond Counsel addressed and delivered to the Bond Trustee and the Authority stating that the execution of such Supplemental Bond Indenture is permitted by and in compliance with the Bond Indenture. The Bond Trustee may, but shall not be obligated to, enter into any Supplemental Bond Indenture which affects the Bond Trustee's own rights, duties or immunities under the Bond Indenture or otherwise.

### **Payment, Discharge and Defeasance of Bonds**

Bonds will be deemed to be paid and discharged and no longer Outstanding under the Bond Indenture and will cease to be entitled to any lien, benefit or security of the Bond Indenture if the Authority shall pay or provide for the payment of such Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;
- (b) by delivering such Bonds to the Bond Trustee for cancellation; or
- (c) by depositing in trust with the Bond Trustee moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal of, premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Bond Indenture or provision satisfactory to the Bond Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or redemption dates only with cash or Defeasance Obligations pursuant to subsection (c) above, subject to receipt by the Bond Trustee and the Authority of (a) a verification report prepared by independent certified public accountants, or other verification agent, satisfactory to the Bond Trustee and the Authority, and (b) an Opinion of Bond Counsel addressed and delivered to the Bond Trustee and the Authority to the effect that the payment of the principal of and redemption premium, if any, and interest on all of the Bonds then Outstanding and any and all other amounts required to be paid under the provisions of the Bond Indenture has been provided for in the manner set forth in the Bond Indenture.

The foregoing notwithstanding, the liability of the Authority in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Bond Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Bond Trustee pursuant to this Section shall not be a part of the Infrastructure Bond Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Bond Trustee to the payment to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Bond Trustee.

### **Satisfaction and Discharge of Bond Indenture**

The Bond Indenture and the lien, rights and interests created by the Bond Indenture shall cease, determine and become null and void (except as to any surviving rights under the Bond Indenture) if the following conditions are met:

- (a) the principal of, premium, if any, and interest on all Bonds has been paid or is deemed to be paid and discharged by meeting the conditions of the Bond Indenture;
- (b) all other sums payable under the Bond Indenture with respect to the Bonds are paid or provision satisfactory to the Bond Trustee is made for such payment; and
- (c) the Bond Trustee receives an Opinion of Bond Counsel addressed and delivered to the Bond Trustee and the Authority to the effect that all conditions precedent in this Section to the satisfaction and discharge of the Bond Indenture have been complied with.

Thereupon, the Bond Trustee shall execute and deliver to the Authority a termination statement and such instruments of satisfaction and discharge of the Bond Indenture as may be necessary and shall pay, assign, transfer and deliver to the Authority, or other Persons entitled thereto, all moneys, securities and other property then held by it under the Bond Indenture as a part of the Infrastructure Bond Trust Estate, other than moneys or Defeasance Obligations held in trust by the Bond Trustee as provided in the Bond Indenture for the payment of the principal of, premium, if any, and interest on the Bonds.

### **Rights Retained After Discharge**

Notwithstanding the satisfaction and discharge of the Bond Indenture, the Bond Trustee shall retain such rights, powers and duties under the Bond Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided in the Bond Indenture. Nevertheless, any moneys held by the Bond Trustee for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for 4 years after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided in the Bond Indenture, shall then be paid to the City, and the Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the City for payment thereof and all liability of the Bond Trustee or the Authority with respect to such moneys shall thereupon cease.

## **THE INFRASTRUCTURE FINANCING AGREEMENT**

### **Issuance of the Bonds**

In order to provide funds to finance the Infrastructure Project Costs, the Authority agrees that it will issue, sell and deliver the Bonds to the Bond Purchaser in accordance with the terms of the Bond Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds shall be paid over to the Bond Trustee for the account of the Authority and shall be administered, disbursed and applied for the payment of the Infrastructure Project Costs and other purposes upon the terms and in the manner as provided in the Bond Indenture and the Infrastructure Financing Agreement. PIEA and the Authority agree to cause the net proceeds of the Bonds and certain funds transferred from the Project Bonds to be transferred to the City to be used solely by the City to fund a portion of the City's obligations to MODOT under the MODOT Agreement.

### **Transfer and Pledge of MODOT Funds**

PIEA pledges, assigns and grants a security interest in the MODOT Funds to the Authority pursuant to the Infrastructure Financing Agreement and agrees to transfer or cause to be transferred to the Bond Trustee all MODOT Funds received by PIEA. PIEA will have no liability under the Infrastructure Financing Agreement, except to the extent of the pledge and transfer of any MODOT Funds received by PIEA.

### **Payments by PIEA Without Abatement or Set-Off**

PIEA covenants and agrees with and for the express benefit of the Authority and the Bondowners that all payments due under the Infrastructure Financing Agreement shall be transferred by PIEA on or before the date the same become due, and PIEA shall perform all of its obligations, covenants and agreements under the Infrastructure Financing Agreement (including the obligation to transfer such payments) 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 any portion of the Infrastructure Project shall have been completed.

Nothing in the Infrastructure Financing Agreement shall be construed as a waiver by PIEA of any rights or claims PIEA may have against the Authority under the Infrastructure Financing Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Authority separately, it being the intent of the Infrastructure Financing Agreement that PIEA shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under the Infrastructure Financing Agreement for the benefit of the Bondowners.

### **Continuing Disclosure**

The Authority covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The Authority acknowledges that it is the only "obligated person" with responsibility for continuing disclosure under the Continuing Disclosure Agreement, and PIEA has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Section, and has no liability to any person, including any Bondowner, with respect to SEC Rule 15c2-12.

## **Assignment by the Authority to the Bond Trustee**

The Authority, by means of the Bond Indenture and as security for the payment of the principal of, and redemption premium, if any, and interest on the Bonds, will assign, pledge and grant a security interest in all of its rights, title and interests in, to and under the Infrastructure Financing Agreement to the Bond Trustee for the benefit of the Bondowners.

## **Events of Default Defined**

The term “Event of Default” shall mean any one or more of the following events:

(a) Failure by the Authority or PIEA to observe and perform any covenant, condition or agreement on the part of the Authority or PIEA under the Infrastructure Financing Agreement, the Bond Indenture or any other document entered into in connection with the financing of the Infrastructure Project for a period of 30 days after written notice of such default has been given to PIEA or the Authority, as the case may be, during which time such default is neither cured by the Authority or PIEA, as the case may be, nor waived in writing by the Bond Trustee, provided that, if the failure stated in the notice cannot be corrected within said 30-day period, the Bond Trustee may consent in writing to an extension of such time prior to its expiration if corrective action is instituted by the Authority or PIEA, as the case may be, within the 30-day period and diligently pursued to completion and if such consent, in the judgment of the Bond Trustee, does not materially adversely affect the interests of the Bondowners. In making such determination, the Bond Trustee may rely conclusively upon an Opinion of Counsel.

(b) Any representation or warranty by the Authority or PIEA in the Infrastructure Financing Agreement or in any certificate or other instrument delivered under or pursuant to the Infrastructure Financing Agreement or the Bond Indenture or in connection with the financing of the Infrastructure Project shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, unless cured by the Authority or PIEA, as the case may be, within 30 days after notice thereof has been given to the Authority or PIEA.

## **Remedies on an Event of Default**

Whenever any Event of Default shall have occurred and be continuing, the Bond Trustee, as the assignee of the Authority, may take any one or more of the remedial steps set forth in the Bond Indenture; provided that if the principal of all Bonds then Outstanding and the interest accrued thereon shall have been declared immediately due and payable pursuant to the provisions of the Bond Indenture, the Bond Trustee may immediately proceed to take whatever other action at law or in equity is necessary and appropriate to exercise or to cause the exercise of the rights and powers set forth in the Infrastructure Financing Agreement or in the Bond Indenture, as may appear necessary or desirable to collect the amounts payable pursuant to the Infrastructure Financing Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Authority or PIEA under the Infrastructure Financing Agreement or the Bond Indenture.

Notwithstanding the foregoing, the Bond Trustee shall not be obligated to take any step that in its opinion will or might cause it to expend time or money or otherwise incur liability, unless and until indemnity satisfactory to it has been furnished to the Bond Trustee at no cost or expense to the Bond Trustee.

## **No Remedy Exclusive**

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

## **Authority and PIEA to Give Notice of an Event of Default**

The Authority and PIEA shall each promptly give to the Bond Trustee written notice of any Event of Default of which the Authority or PIEA, as the case may be, shall have actual knowledge or written notice, but neither the Authority nor PIEA shall be liable for failing to give such notice.

## **Performance of the Authority's and PIEA's Obligations**

If the Authority or PIEA shall fail to keep or perform any of their obligations as provided in the Infrastructure Financing Agreement, then the Bond Trustee, may (but shall not be obligated so to do) upon the continuance of such failure on the Authority's or PIEA's part for 15 days after notice of such failure is given to the Authority and PIEA by the Bond Trustee, and without waiving or releasing the Authority or PIEA from any obligation under the Infrastructure Financing Agreement, as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid by the Bond Trustee and all necessary incidental costs and expenses incurred by the Bond Trustee in performing such obligations shall be paid to the Bond Trustee on demand, with interest at the prime rate of the Bond Trustee, plus 2%, subject to the Infrastructure Financing Agreement.

## **Remedial Rights Assigned to the Bond Trustee**

Upon the execution and delivery of the Bond Indenture, the Authority and PIEA will thereby have assigned to the Bond Trustee all rights and remedies conferred upon or reserved to the Authority by the Infrastructure Financing Agreement or the other Financing Documents. The Bond Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Authority or PIEA by the Infrastructure Financing Agreement in the same manner and to the same extent, but under the limitations and conditions imposed thereby and in the Infrastructure Financing Agreement. The Bondowners shall be deemed third party creditor beneficiaries of all representations, warranties, covenants and agreements contained in the Infrastructure Financing Agreement.

## **Supplemental Infrastructure Financing Agreements without Consent of Bondowners**

Subject to the Infrastructure Financing Agreement, without the consent of the Bondowners, the Authority, the Bond Trustee and PIEA may from time to time enter into one or more Supplemental Infrastructure Financing Agreements, for any of the following purposes:

- (a) to more precisely identify any project financed out of the proceeds of the Bonds; or
- (b) to add additional revenues or security for the Bonds; or

(c) to cure any ambiguity, to correct or supplement any provision in the Infrastructure Financing Agreement which may be inconsistent with any other provision in the Infrastructure Financing Agreement or to make any other provisions, with respect to matters or questions arising under the Infrastructure Financing Agreement, which shall not be inconsistent with the provisions of the Infrastructure Financing Agreement, provided such action shall not adversely affect the interests of the Bondowners. In making such determination, the Bond Trustee may rely conclusively upon an Opinion of Counsel.

### **Supplemental Infrastructure Financing Agreements with Consent of Bondowners**

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Infrastructure Financing Agreement, the Authority, the Bond Trustee and PIEA may enter into Supplemental Infrastructure Financing Agreements, in form satisfactory to the Bond Trustee, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Infrastructure Financing Agreement or of modifying in any manner the rights of the Bond Trustee and the Bondowners under the Infrastructure Financing Agreement; provided, however, that no such Supplemental Infrastructure Financing Agreement shall, without the consent of the Owner of each Outstanding Bond affected thereby,

- (a) change the obligations of PIEA under the Infrastructure Financing Agreement; or
- (b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners are required for any such Supplemental Infrastructure Financing Agreement, or the consent of whose Owners are required for any waiver provided for in the Infrastructure Financing Agreement of compliance with certain provisions of the Infrastructure Financing Agreement or certain defaults under the Infrastructure Financing Agreement and their consequences; or
- (c) modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of the Infrastructure Financing Agreement cannot be modified or waived without the consent of the Bondowners affected thereby.

The Bond Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Infrastructure Financing Agreement and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered under the Infrastructure Financing Agreement. The Bond Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of Bondowners under this Section to approve the particular form of any proposed Supplemental Infrastructure Financing Agreement, but it shall be sufficient if such act shall approve the substance thereof.

### **Effect of Supplemental Infrastructure Financing Agreements**

Upon the execution of any Supplemental Infrastructure Financing Agreement under the Infrastructure Financing Agreement, the Infrastructure Financing Agreement shall be modified in accordance therewith and such Supplemental Infrastructure Financing Agreement shall form a part of the Infrastructure Financing Agreement for all purposes; and the Authority, PIEA, the Bond Trustee and every Bondowner theretofore or thereafter authenticated and delivered under the Bond Indenture shall be bound thereby.

## **Reference in Bonds to Supplemental Infrastructure Financing Agreements**

Bonds authenticated and delivered after the execution of any Supplemental Infrastructure Financing Agreement pursuant to the Infrastructure Financing Agreement may, and if required by the Bond Trustee shall, bear a notation in form approved by the Bond Trustee as to any matter provided for in such Supplemental Infrastructure Financing Agreement. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Bond Trustee and the Authority, to any such Supplemental Infrastructure Financing Agreement may be prepared and executed by the Authority and authenticated and delivered by the Bond Trustee in exchange for Outstanding Bonds.

## **No Pecuniary Liability**

Notwithstanding the language or implication of any provision, representation, covenant or agreement to the contrary, no provision, representation, covenant or agreement contained in the Infrastructure Financing Agreement or in the Bond Indenture, the Bonds, or any obligation in the Infrastructure Financing Agreement or the Bond Indenture imposed upon the Authority or PIEA, or the breach thereof, shall constitute or give rise to or impose upon the Authority or PIEA a pecuniary liability. No provision of the Infrastructure Financing Agreement shall be construed to impose a charge against the general credit of the Authority or PIEA or any personal or pecuniary liability upon any member, official, director, officer, agent, commissioner or employee of the Authority or PIEA.

## **Extent of Covenants of the Authority; No Personal or Pecuniary Liability**

All covenants, obligations and agreements of the Authority contained in the Infrastructure Financing Agreement and the Bond Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, official, director, officer, agent or employee of the Authority in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Authority contained in the Infrastructure Financing Agreement or in the Bond Indenture. No provision, covenant or agreement contained in the Infrastructure Financing Agreement, the Bond Indenture or the Bonds, or any obligation in the Infrastructure Financing Agreement or in the Bond Indenture imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability or a charge.

## **Non-Recourse Obligation; Immunity of Officers, Employees and Members of PIEA**

None of the directors, commissioners, officers, employees or members of PIEA shall have any personal liability under the Infrastructure Financing Agreement or any of the Financing Documents and the liability of PIEA under the Infrastructure Financing Agreement shall be limited to the Infrastructure Bond Trust Estate. No recourse shall be had for the payment of any obligations under the Infrastructure Financing Agreement or for any claim based thereon or upon any representation, obligation, covenant or agreement in the Infrastructure Financing Agreement contained against any past, present or future director, commissioner, officer, member, director, employee or agent of PIEA, or of any successor public or private corporation thereto, as such, either directly or through PIEA or any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such directors, commissioners, officers, members, directors, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of the Infrastructure Financing Agreement.

## **THE CITY FINANCING AGREEMENT**

### **Issuance of the Bonds**

In order to provide funds to finance the Infrastructure Project Costs, the Authority agrees that it will issue, sell and deliver the Bonds to the Bond Purchaser in accordance with the terms of the Bond Indenture and the Bond Purchase Agreement. The proceeds of the sale of the Bonds shall be paid over to the Bond Trustee for the account of the Authority and shall be administered, disbursed and applied for the payment of the Infrastructure Project Costs upon the terms and in the manner as provided in the Bond Indenture, the City Financing Agreement and the Infrastructure Financing Agreement.

### **Transfer and Pledge of MODOT Funds**

The City pledges, assigns and grants a security interest in the MODOT Funds to the Authority pursuant to the City Financing Agreement and agrees to promptly transfer or cause to be transferred to the Bond Trustee all MODOT Funds received pursuant to the MODOT Agreement. The City will have no liability under the City Financing Agreement or any of the Financing Documents, except to the extent of the pledge and transfer of the MODOT Funds paid pursuant to the MODOT Agreement.

### **Payments by the City Without Abatement or Set-Off**

The City covenants and agrees with and for the express benefit of the Authority and the Bondowners that all MODOT Funds under the City Financing Agreement shall be transferred by the City upon receipt to the Bond Trustee, and the City shall perform all of its obligations, covenants and agreements under the City Financing Agreement (including the obligation to transfer the MODOT Funds under the City Financing Agreement) 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.

### **Assignment by the Authority to the Bond Trustee**

The Authority, by means of the Bond Indenture and as security for the payment of the principal of, and redemption premium, if any, and interest on the Bonds, will assign, pledge and grant a security interest in all of its rights, title and interests in, to and under the City Financing Agreement to the Bond Trustee for the benefit of the Owners.

### **Events of Default Defined**

The term “Event of Default” shall mean any one or more of the following events:

- (a) Failure to transfer the MODOT Funds within 5 Business Days.
- (b) Failure by the Authority or the City to observe and perform any covenant, condition or agreement on the part of the Authority or the City under the City Financing Agreement, the Bond Indenture or any other document entered into in connection with the financing of the Project, other than as referred to in the preceding subparagraph (a) of this Section, for a period of 30 days after written notice of such default has been given to the City or the Authority, as the case may be, during which time such default is neither cured by the Authority or the City, as the case may be, nor waived in writing by the Bond Trustee, provided that, if the failure stated in the notice cannot be corrected within said 30-day period, the Bond Trustee may consent in writing to an extension of such time prior to its expiration if corrective action is instituted by the Authority or the City, as the case may be, within the 30-day period



and diligently pursued to completion and if such consent, in the judgment of the Bond Trustee, does not materially adversely affect the interests of the Owners of the Bonds. In making such determination, the Bond Trustee may rely conclusively upon an Opinion of Counsel.

(c) Any representation or warranty by the Authority or the City in the City Financing Agreement or in any certificate or other instrument delivered under or pursuant to the City Financing Agreement or the Bond Indenture or in connection with the financing of the Project shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made, unless cured by the Authority or the City, as the case may be, within 30 days after notice thereof has been given to the Authority or the City.

### **Remedies on an Event of Default**

Whenever any Event of Default shall have occurred and be continuing, the Bond Trustee, as the assignee of the Authority, may take any one or more of the remedial steps set forth in the Bond Indenture; provided that if the principal of all Bonds then Outstanding and the interest accrued thereon shall have been declared immediately due and payable pursuant to the provisions of the Bond Indenture, the Bond Trustee may immediately proceed to take whatever other action at law or in equity is necessary and appropriate to exercise or to cause the exercise of the rights and powers set forth in the City Financing Agreement or in the Bond Indenture, as may appear necessary or desirable to collect the amounts payable pursuant to the City Financing Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Authority or the City under the City Financing Agreement or the Bond Indenture.

In the enforcement of the remedies provided in this Section, the Bond Trustee may treat all expenses of enforcement, including, without limitation, reasonable legal, accounting and advertising fees and expenses, as additional payments then due and payable by the City.

Notwithstanding the foregoing, the Bond Trustee shall not be obligated to take any step that in its opinion will or might cause it to expend time or money or otherwise incur liability, unless and until indemnity satisfactory to it has been furnished to the Bond Trustee at no cost or expense to the Bond Trustee.

### **No Remedy Exclusive**

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

### **Authority and City to Give Notice of an Event of Default**

The Authority and the City shall each promptly give to the Bond Trustee written notice of any Event of Default of which the Authority or the City, as the case may be, shall have actual knowledge or written notice, but neither the Authority nor the City shall be liable for failing to give such notice.

## **Remedial Rights Assigned to the Bond Trustee**

Upon the execution and delivery of the Bond Indenture, the Authority will thereby have assigned to the Bond Trustee all rights and remedies conferred upon or reserved to the Authority by the City Financing Agreement. The Bond Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Authority by the City Financing Agreement in the same manner and to the same extent, but under the limitations and conditions imposed thereby and in the City Financing Agreement. The Owners of the Bonds shall be deemed third party creditor beneficiaries of all representations, warranties, covenants and agreements contained in the City Financing Agreement.

## **Supplemental City Financing Agreements without Consent of Bondowners**

Subject to the City Financing Agreement, without the consent of the Owners of any Bonds, the Authority, the Bond Trustee and the City may from time to time enter into one or more Supplemental City Financing Agreements, for any of the following purposes:

- (a) to add additional revenues or security for the Bonds; or
- (b) to cure any ambiguity, to correct or supplement any provision in the City Financing Agreement which may be inconsistent with any other provision in the City Financing Agreement or to make any other provisions, with respect to matters or questions arising under the City Financing Agreement, which shall not be inconsistent with the provisions of the City Financing Agreement, provided such action shall not adversely affect the interests of the Owners of the Bonds. In making such determination, the Bond Trustee may rely conclusively upon an Opinion of Counsel.

## **Supplemental City Financing Agreements with Consent of Bondowners**

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental City Financing Agreement, the Authority, the Bond Trustee and the City may enter into Supplemental City Financing Agreements, in form satisfactory to the Bond Trustee, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the City Financing Agreement or of modifying in any manner the rights of the Bond Trustee and the Owners of the Bonds under the City Financing Agreement; provided, however, that no such Supplemental City Financing Agreement shall, without the consent of the Owner of each Outstanding Bond affected thereby,

- (a) change the obligations of the City under the Section entitled “Transfer and Pledge of MODOT Funds”; or
- (b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental City Financing Agreement, or the consent of whose Owners is required for any waiver provided for in the City Financing Agreement of compliance with certain provisions of the City Financing Agreement or certain defaults under the City Financing Agreement and their consequences; or
- (c) modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of the City Financing Agreement cannot be modified or waived without the consent of the Owner of each Bond affected thereby.

The Bond Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental City Financing Agreement and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered under the City Financing Agreement. The Bond Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of Owners of Bonds under this Section to approve the particular form of any proposed Supplemental City Financing Agreement, but it shall be sufficient if such act shall approve the substance thereof.

### **Effect of Supplemental City Financing Agreements**

Upon the execution of any Supplemental City Financing Agreement under the City Financing Agreement, the City Financing Agreement shall be modified in accordance therewith and such Supplemental City Financing Agreement shall form a part of the City Financing Agreement for all purposes; and the Authority, the City, the Bond Trustee and every Owner of Bonds theretofore or thereafter authenticated and delivered under the Bond Indenture shall be bound thereby.

### **Reference in Bonds to Supplemental City Financing Agreements**

Bonds authenticated and delivered after the execution of any Supplemental City Financing Agreement pursuant to the City Financing Agreement may, and if required by the Bond Trustee shall, bear a notation in form approved by the Bond Trustee as to any matter provided for in such Supplemental City Financing Agreement. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Bond Trustee and the Authority, to any such Supplemental City Financing Agreement may be prepared and executed by the Authority and authenticated and delivered by the Bond Trustee in exchange for Outstanding Bonds.

### **No Pecuniary Liability**

Notwithstanding the language or implication of any provision, representation, covenant or agreement to the contrary, no provision, representation, covenant or agreement contained in the City Financing Agreement or in the Bond Indenture, the Bonds, or any obligation in the City Financing Agreement or the Bond Indenture imposed upon the Authority or the City, or the breach thereof, shall constitute or give rise to or impose upon the Authority or the City a pecuniary liability (except to the extent of any funds actually appropriated by the City). No provision of the City Financing Agreement shall be construed to impose a charge against the general credit of the Authority or the City or any personal or pecuniary liability upon any member, official, director, officer, agent or employee of the Authority or the City.

### **Extent of Covenants of the Authority; No Personal or Pecuniary Liability**

All covenants, obligations and agreements of the Authority contained in the City Financing Agreement and the Bond Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, official, director, officer, agent or employee of the Authority in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Authority contained in the City Financing Agreement or in the Bond Indenture. No provision, covenant or agreement contained in the City Financing Agreement, the Bond Indenture or the Bonds, or any obligation in the City Financing Agreement or in the Bond Indenture imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability or a charge.

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**APPENDIX C**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of June 1, 2010 (the “**Continuing Disclosure Agreement**”), is executed and delivered by **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF KANSAS CITY, MISSOURI**, a public corporation duly organized and existing under the laws of the State of Missouri (the “**Authority**”), and **BANK OF KANSAS CITY, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as dissemination agent (the “**Dissemination Agent**”).

### RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the Authority of \$10,595,000 Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements), Series 2010 (the “**Bonds**”), pursuant to a Resolution adopted by the governing body of the Authority on May 26, 2010.

2. The Authority and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist any Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Authority is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Authority and the Dissemination Agent covenant and agree as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Bond Trust Indenture dated as of June 1, 2010 (the “**Bond Indenture**”), between the Authority and Bank of Kansas City, N.A., as Trustee, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Dissemination Agent**” means Bank of Kansas City, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures operated by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Material Events**” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**Semi-Annual Report**” means any Semi-Annual Report provided by the Authority pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

**Section 2. Provision of Semi-Annual Reports.**

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than **60** days after the end of each April 1 and October 1, commencing April 1, 2011, provide to the MSRB, via EMMA, the following financial information (the “**Semi-Annual Report**”):

- (1) The amount of capitalized interest utilized from the Capitalized Interest Fund to pay interest on the Bonds; and
- (2) The amount and date of MoDOT funds, if any, received and deposited into the Debt Service Fund.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and is available through EMMA or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so included by reference.

In each case, the Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Authority, if required, may be submitted separately from the balance of the Semi-Annual Report and later than the date required above for the filing of the Semi-Annual Report if they are not available by that date. If the Authority’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) Not later than **15** business days prior to the date specified in subsection (a) for providing the Semi-Annual Report to the MSRB, the Authority shall either (1) provide the Semi-Annual Report to the Dissemination Agent, with written instructions to file the Semi-Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the Authority has provided the Semi-Annual Report to the MSRB (or will do so prior to the deadline specified in subsection (a)).

(c) If the Dissemination Agent has not received either a Semi-Annual Report with filing instructions or a written notice from the Authority that it has provided a Semi-Annual Report to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit B**.

(d) The Dissemination Agent shall, unless the Authority has provided the Semi-Annual Report to the MSRB, promptly following receipt of the Semi-Annual Report and instructions required in subsection (b) above, provide the Semi-Annual Report to the MSRB and file a report with the Authority certifying that the Semi-Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided to the MSRB.



(e) In addition to the foregoing requirements of this Section, the Authority agrees to provide copies of the most recent Semi-Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same have been delivered to the MSRB.

### **Section 3. Reporting of Material Events.**

(a) Pursuant to the provisions of this Section, the Authority shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if material (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) modifications to rights of bondowners;
- (4) optional, contingent or unscheduled bond calls;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (8) unscheduled draws on debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on credit enhancements reflecting financial difficulties;
- (10) substitution of credit or liquidity providers, or their failure to perform; or
- (11) release, substitution or sale of property securing repayment of the Bonds.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Assistant Secretary of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Authority determines that such event would not be material under applicable federal securities laws, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).

(c) Whenever the Authority obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Authority shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the Authority to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the Authority. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Bonds pursuant to the Bond Indenture.

**Section 4. Termination of Reporting Obligation.** The Authority’s obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Authority’s obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Authority, and the Authority shall

have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agent; Other Designated Agents.**

(a) The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Authority. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Semi-Annual Report) prepared by the Authority pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Bank of Kansas City, N.A.

(b) The Authority may, from time to time, appoint or designate one or more agents (each, a “**designated agent**”) to submit Semi-Annual Reports, Material Event notices, and other notices or reports with the MSRB. The Authority hereby appoints the Dissemination Agent and Gilmore & Bell, P.C. (“**Bond Counsel**”) as designated agent(s) of the Authority solely for the purpose of submitting Authority-approved Semi-Annual Reports, Material Event notices, and other notices or reports to the MSRB. The Authority may revoke this designation at any time upon written notice to the designated agent, and may designate one or more additional designated agents for purposes of this **Section 5(b)** from time to time by written designation to the newly appointed designated agent.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Authority and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Authority and the Dissemination Agent with its written opinion that the undertaking of the Authority contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Authority shall describe such amendment or waiver in the next Semi-Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the applicable Semi-Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Authority chooses to include any information in any Semi-Annual Report or notice of occurrence of a Material Event, in

addition to that which is specifically required by this Continuing Disclosure Agreement, the Authority shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Authority or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Bond Indenture or the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

**Section 9. Duties and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or wilful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Authority shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

**Section 10. Notices.** Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

**To the Authority:** The Industrial Development Authority  
of the City of Kansas City, Missouri  
20 East Fifth Street, Suite 200  
Kansas City, Missouri 64106  
Attention: Executive Director  
Telephone/Fax: (816) 474-2227/(816) 421-5500

**To the Dissemination Agent:** Bank of Kansas City, N.A., as Bond Trustee  
4600 Madison Avenue, Suite 800  
Kansas City, Missouri 64112  
Attention: Corporate Trust  
Telephone/Fax: (816) 932-7303/(816) 932-7315

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

**Section 11. Beneficiaries.** This Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, any Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 12. Severability.** If any provision in this Continuing Disclosure Agreement, the Bond Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 13. Counterparts.** This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 14. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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**Section 15. Governing Law.** This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

**THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF KANSAS  
CITY, MISSOURI**

By: \_\_\_\_\_  
Name: Frederick H. Riesmeyer, II  
Title: Chairman

**BANK OF KANSAS CITY, N.A.,**  
as Dissemination Agent

By: \_\_\_\_\_  
Title: Authorized Officer

## **EXHIBIT A**

### **FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN SEMI-ANNUAL REPORT**

The following sections and tables contained in the final Official Statement:

1. [Not applicable]

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE SEMI-ANNUAL REPORT**

**Name of Authority:** The Industrial Development Authority of the City of Kansas City, Missouri

**Name of Bond Issue:** \$10,595,000 Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project – MoDOT Funded Transportation Improvements), Series 2010 (the “Bonds”)

**Name of Obligated Person:** The Industrial Development Authority of the City of Kansas City, Missouri (the “Authority”)

**Date of Issuance:** July 22, 2010

**NOTICE IS HEREBY GIVEN** that the Authority has not provided a Semi-Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of June 1, 2010, between the Authority and Bank of Kansas City, N.A., as Dissemination Agent. [The Authority has informed the Dissemination Agent that the Authority anticipates that the Semi-Annual Report will be filed by \_\_\_\_\_.]

**Dated:** \_\_\_\_\_, \_\_\_\_\_

**BANK OF KANSAS CITY, N.A.**, as Dissemination Agent, on behalf of The Industrial Development Authority of the City of Kansas City, Missouri

cc: The Industrial Development Authority of the City of Kansas City, Missouri

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**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

July 22, 2010

The Industrial Development Authority of the City  
of Kansas City, Missouri  
Kansas City, Missouri

The Planned Industrial Expansion Authority of  
Kansas City, Missouri  
Kansas City, Missouri

Bank of Kansas City, N.A., as Trustee  
Kansas City, Missouri

Re: \$10,595,000 Principal Amount of Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project - MoDOT Funded Transportation Improvements), Series 2010 of The Industrial Development Authority of the City of Kansas City, Missouri

We have acted as Bond Counsel in connection with the issuance by The Industrial Development Authority of the City of Kansas City, Missouri (the "Authority"), of its Tax-Exempt Infrastructure Bonds (NNSA National Security Campus Project - MoDOT Funded Transportation Improvements), Series 2010, in the maximum principal amount of \$10,595,000 (the "Bonds"). The Bonds will bear interest, will mature and will be subject to redemption and payment prior to maturity as set forth in the hereinafter referred to Indenture. The principal of and interest on the Bonds are payable at the principal office of Bank of Kansas City, N.A., as trustee (the "Trustee") or as otherwise provided for in the Indenture.

The Bonds have been authorized and issued under and pursuant to Chapter 349 of the Revised Statutes of Missouri, as amended (the "Act"), and the Indenture for the purpose of providing funds to pay part of the costs of acquiring, improving and constructing a project, consisting of a highway interchange and other infrastructure projects (the "Project") for the City of Kansas City, Missouri (the "City").

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 (collectively, the "Bond Documents"):

(a) Bond Trust Indenture dated as of June 1, 2010 (the "Indenture"), between the Authority and the Trustee;

(b) Infrastructure Financing Agreement dated as of June 1, 2010 (the "Infrastructure Financing Agreement"), among the Authority, the Trustee and The Planned Industrial Expansion Authority of Kansas City, Missouri ("PIEA");

(c) City Financing Agreement dated as of June 1, 2010 (the "City Financing Agreement," together with the Infrastructure Financing Agreement, the "Financing Agreements"), among the City, the Authority and the Trustee;

(d) Tax Compliance Agreement dated as of June 1, 2010, among the Authority, PIEA and the Trustee;

(e) Bond Purchase Agreement dated July 15, 2010, between the Authority and Oppenheimer & Co. Inc.;

(f) Continuing Disclosure Agreement dated as of June 1, 2010, between the Authority and the Trustee, as dissemination agent; and

We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the Bonds and the authorization, execution and delivery of the Bond Documents.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is a public corporation duly organized and existing under the Constitution and laws of the State of Missouri, and has lawful power and authority to issue the Bonds, to enter into Bond Documents and to perform its obligations thereunder.

2. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and legally binding special obligations of the Authority, payable solely from the Infrastructure Bond Trust Estate under the Indenture. The Bonds are not a debt of the City of Kansas City, Missouri, the State or any political subdivision thereof within the meaning of any provision of the constitution or laws of the State. The bonds shall not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction and are not payable in any manner by taxation. The Authority has no taxing power.

3. The Bond Documents have been duly authorized, executed and delivered by the Authority and are valid and legally binding agreements of the Authority, enforceable against the Authority. The Authority has assigned to the Trustee all of its rights under the Financing Agreements (except for certain reserved rights), and has delegated to the Trustee its responsibilities for enforcement of the Financing Agreements for the benefit of the Bondowners, to the fullest extent permitted by law.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner of a Bond) is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in this paragraph is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes. The Authority has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

5. The interest on the Bonds is exempt from income taxation by the State of Missouri.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the perfection or priority of the lien on revenues or other funds pledged under the Indenture or tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

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