



## **NOTICE TO HOLDERS**

Dated: December 3, 2018

The Industrial Development Authority of the County of Platte County Missouri (the "County")  
Transportation Refunding and Improvement Bonds (Zona Rosa Retail Project),  
Series 2007 (the "Bonds")

CUSIPs\*:

72770LAX8

72770LAY6

72770LAZ3

72770LBA7

72770LBB5

**THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE BONDS. IF YOU RECEIVE THIS NOTICE AND ARE ACTING FOR A BENEFICIAL OWNER OF THE BONDS, PLEASE SEND THIS NOTICE TO THE BENEFICIAL OWNER(S) IMMEDIATELY.**

UMB Bank, n.a. serves as trustee (the "Trustee") under that certain Trust Indenture dated as of October 1, 2007 (the "2007 Indenture") between Trustee and the Industrial Development Authority of the County of Platte County, Missouri (the "Issuer"), concerning the Zona Rosa Shopping Center Project (the "Zona Rosa Project"). Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the 2007 Indenture.

### **STATUS OF LAWSUIT FILED BY PLATTE COUNTY, MISSOURI**

The Trustee reported on November 9, 2018 that Platte County, Missouri filed a lawsuit asserting, among other things, that the Financing Agreement under which the County obligated itself to make payments to the Trustee was unconstitutional.

The Trustee filed a Petition for Temporary Restraining Order and Injunctive Relief on November 28, 2018 in which it sought an Order from the Court that appropriations made by the County with respect to the 2018 shortfall be used to make the December 1, 2018 payment, or that the appropriated funds be maintained until further Order of the Court. After hearing arguments of counsel, the Court denied the Petition for Temporary Restraining Order, but ruled from the bench and ordered the County to maintain sufficient funds to make up the shortfall for the December 1,

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\* These CUSIP numbers are included solely for the convenience of the holders of the Bonds. The Trustee shall not be responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as dictated in any notice.

2018 payment until further Order of the Court. The Court also set the next hearing in connection with the County's lawsuit for May 24, 2019 at 9:00 a.m. An Answer to the lawsuit by the Trustee is not yet due.

### **DEFAULTS UNDER THE INDENTURE**

Section 901(d) of the 2007 Indenture provides that an Event of Default occurs and is continuing if there is a default under the Financing Agreement or the Guaranty Agreement which are a part of the Bond Documents.

The following Events of Default have occurred and are continuing:

- The Transportation Development Districts ("TDDs") failed to provide a replacement Letter of Credit - - Section 4.10 of the Financing Agreement, as described in the 2007 Indenture Sections 609-611.
- Zona Rosa Development, LLC (the "Developer") failed to comply with its obligations under the Guaranty Agreement to guaranty the TDDs' obligations regarding the Letter of Credit and to provide a minimum net worth of \$5,000,000 pursuant to Sections 2.1 and 3.2 of the Guaranty Agreement.
- By its statements and actions, including but not limited to the filing of the lawsuit described herein, the County has defaulted under the Financing Agreement including, but not limited to Sections 2.2, 2.3 and 2.4.

As a result of the above, Events of Defaults have occurred and continue. Under Section 907(b) of the 2007 Indenture, whenever monies are to be applied pursuant to said Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future.

At this time, given the uncertainty of payments in the future and sources available for payment including but not limited to TDD sales tax revenues, letter of credit obligations and appropriations from the County, the Trustee has been advised by counsel and believes it prudent to pay interest only and not make any principal payments at this time. This is without prejudice to the Trustee making other and further payments thereafter if circumstances change.

### **TRUSTEE HELD FUNDS**

As a result of the shortfall in TDD sales tax revenues, lack of a replacement letter of credit and failure by the County to make payment under the Bond Documents, the Trustee must draw on the Reserve Fund in order to make any payments of fees and expenses and in order to make the interest payment due to Holders on 12/1/2018. The Trustee will draw the amount of \$160,748.31 from the Reserve Fund. Following a draw on the Reserve Fund and after making the interest payment on 12/3/2018, the Trustee will be holding the following funds:

Bond Fund:	\$0.00
District Reserve Account:	\$0.00
Reserve Fund:	\$3,030,920.38

The Trustee continues to incur reasonable extraordinary fees and counsel expenses in connection with the lawsuit filed by Platte County and the ongoing Events of Default. The Trustee's extraordinary fees and counsel expenses will be paid in the future from the Trust Estate.

### **FURTHER INFORMATION**

If holders of the Bonds have any questions they can contact the Trustee as follows:

UMB Bank, National Association  
928 Grand Blvd  
Kansas City, MO 64106  
Attn: Mark Heer  
Email address: [mark.heer@umb.com](mailto:mark.heer@umb.com)

### **RETENTION OF COUNSEL**

The Bond Trustee has retained the law firm of Spencer Fane LLP, specifically Scott Goldstein and Kersten Holzhueter of that firm, to assist it in matters relevant to the Bonds. Mr. Goldstein's phone number is 816-292-8218 and his e-mail address is [sgoldstein@spencerfane.com](mailto:sgoldstein@spencerfane.com). Ms. Holzhueter's phone number is 816-292-8302 and her e-mail address is [kholzhueter@spencerfane.com](mailto:kholzhueter@spencerfane.com).

Please note that UMB Bank may conclude that a specific response to particular inquiries from individual Holders is not consistent with equal and full dissemination of significant information to all Holders. Holders should not rely on UMB Bank as their sole source of information. UMB Bank makes no recommendations and gives no investment, tax or legal advice to the above matters or as to the Bonds generally.

**UMB Bank, National Association,**  
*as Trustee*