

City Hall • 8500 Santa Fe Drive
Overland Park, Kansas 66212
www.opkansas.org

October 16, 2014

Mayor Carl Gerlach
Council President John Skubal
Members of the City Council

CITY PLACE CID PROJECT

Mayor and Members of the City Council:

On February 17, 2014 the City Council approved Ordinance No. CID-3026 creating the City Place community improvement district (the “City Place CID”) and approving a development agreement (the “Agreement”) with College 69 Associates, LLC (the “Developer”). The City Place CID provided for financing of City Place CID improvements (the “CID Improvements”) by issuance of bonds payable from special assessments levied on property within the City Place CID.

City Council actions on August 4, 2014; August 18, 2014; and September 8, 2014 amended Ordinance No. CID-3026 and the Agreement. A more detailed summary of these actions and changes is attached as Attachment A. On September 8, 2014 the City Council also approved Ordinance No. ASMT-3055 (the “Assessment Ordinance”) levying special assessments within the City Place CID.

Since approval of the Assessment Ordinance, City staff, Bond Counsel (Kutak Rock), and Special Counsel (Stinson Leonard Street), have been working with the Developer and UMB Bank, N.A. (“UMB”) on issuance of special assessment bonds (the “Bonds”) to finance the CID Improvements. The Developer requested that UMB be the financial institution that handles placement of the Bonds. Presented for your consideration are several items which are necessary to proceed with issuance of the Bonds.

- **Resolution No. 4094 authorizing the execution of a Third Amendment to the Development Agreement.** During development of necessary documents to complete the bond sale, the need for additional changes to the Agreement, as amended, were identified. These concepts were reviewed by the Finance, Administration and Economic Development Committee (the “Committee”) on October 15, 2014 and the Committee directed the staff to proceed with a third amendment (the “Third Amendment”) to the City Place Development Agreement, as previously amended (the “Agreement”) between the City and College 69 Associates, LLC (the “Developer”), and that the Third Amendment be presented to the City Council for approval. A summary of the changes in the proposed third amendment to the Agreement are included in Attachment A. Approval of Resolution No. 4094 as presented will authorize the execution and delivery of the Third Amendment.

- **Resolution No. 4095 authorizing the execution of the Subordination Agreement with Country Club Bank and the Developer.** The second amendment to the Agreement (the “Second Amendment”) required that the Developer deliver to the City a subordination agreement in which the Developer’s lender, Country Club Bank (the “Lender”) subordinates its security interest in Bond proceeds provided to the Lender by the Developer pursuant to a collateral assignment between those two parties. Pursuant to this Subordination Agreement, the Lender’s rights and interests in the Bond proceeds would stand behind the City’s rights and access to these moneys if Developer fails to timely complete the CID Improvements and the City chooses to exercise its self-help rights and finish these CID Improvements with the Bond proceeds. This agreement has been delivered and Resolution No. 4095 approves the execution and delivery of this agreement.
- **Bond Ordinance No. CID-3058 (the “Bond Ordinance”).** Passage of the Bond Ordinance will authorize the issuance of the Bonds and approve the form of related documents including:
 - *Trust Indenture (the “Indenture”)* which is an agreement between the City, as the issuer of the Bonds and the bond trustee, Security Bank of Kansas City (the “Trustee”). The Indenture specifies the terms of the Bonds and outlines the responsibilities of the parties related to administration and payment of the Bonds. The Trustee will act as a third party to administer the bond issues on behalf of and for the interest of the bondholders. *[As of the agenda deadline, UMB and its legal counsel advised of a need for a change in the Indenture related to the administration of the bonds. This change is not material to the terms of the Indenture; Bond Counsel will make the required modifications prior to bond closing.]*
 - *Private Placement Agreement* between the City and UMB which outlines the terms for UMB’s private placement of the Bonds to qualified investors. This agreement outlines terms for sale and delivery of the bonds, the interest rate and outlines various other documents, actions and conditions related to the Bonds. *[The above referenced change in administration of the bonds will also have an impact on this agreement, which will be made by Bond Counsel prior to its execution.]*

Also attached, in Attachment B, is a copy of the Preliminary Private Placement Memorandum. This document is being used by UMB as part of the bank’s private placement process with potential investors. It is provided for your information.

As of October 16, 2014, the plan is for UMB to have identified investors with whom the Bonds can be privately place by early in the day on October 20, 2014 prior to the City Council’s consideration of the bond ordinance and related documents. It is expected the Bond would be closed on or around November 6, 2014.

The staff and outside attorneys who have worked on this project (Dotty Riley and Joe Serrano, Kutak Rock; Todd LaSala, Stinson Leonard Street) will be in attendance at the meeting to respond to questions regarding the agreements presented and the Bond Ordinance.

KRISTY STALLINGS
Deputy City Manager

ATTACHMENT A
SUMMARY OF CITY PLACE CID ACTIONS AND CHANGES

February 17, 2014

- The City Council approved Ordinance No. CID-3026 creating the City Place CID and providing for financing of the CID Improvements by the issuance of Bonds payable from special assessments levied on property within the City Place CID. Ordinance No. CID-3026 also authorized execution the Agreement with the Developer for the CID and other improvements related to the City Place project located on the southwest corner of U.S. 69 Highway and College Boulevard (the “Project”).

August 4, 2014

- The City Council approved Ordinance No. CID-3026,A amending the City Place CID to add a parcel of land which had been purchased separately and not included in the City Place CID as originally approved. In addition, the City Place CID boundaries were modified to update Switzer Road and College Boulevard right-of-way to be consistent with the Project’s preliminary plat, submitted after approval of the City Place CID.
- The City Council approved Resolution No. 4084 approving a first amendment to the Agreement (the “First Amendment”) which incorporated the City Place CID boundary changes into the Agreement.

August 18, 2014

- The City Council approved Ordinance No. CID-3026,B to change the description of the CID Improvements and to exclude certain common areas within the City Place CID from payment of special assessments.
1. The change in the description of CID Improvements eliminated entrance monuments because they are not eligible to be financed with tax-exempt bonds.
 2. The areas excluded from special assessments were: 1) a conservation easement dedicated by the Developer for the streamway corridor; 2) BMPs; and 3) open space adjacent to the intersection of Indian Creek Parkway and Switzer Road. These exclusions were in addition to rights-of-way which had already been excluded when the City Place CID was originally created.

ATTACHMENT A SUMMARY OF CITY PLACE CID ACTIONS AND CHANGES

September 8, 2014

- The City Council approved Resolution No. 4087 approving a second amendment to the Agreement (the “Second Amendment”) which included several provisions requested by the Developer, as outlined below and on the following pages:
 1. Authorization to levy special assessments and issue bonds in advance of construction. The Agreement, as amended by the First Amendment, provided for special assessments to be levied and bonds issued *after* completion of construction of the CID Improvements. The Developer requested an amendment to enable these to take place *before* construction begins. This enables the Developer to use proceeds from the Bonds to finance construction of the CID Improvements instead of obtaining a construction loan.
 2. Provides completion rights to the City in the event the Developer fails perform.

If the Developer does not begin the CID Improvements by January 1, 2015 or complete them by February 29, 2016, and subject to cure provisions afforded to the Developer, the City may step in and use proceeds from the Bonds to complete the CID Improvements. This protects the City from a situation where assessments have been levied but improvements are significantly delayed or not completed due to Developer actions (or inaction). The Second Amendment also required that the Developer deliver, prior to issuance of the Bonds, a subordination agreement in which the Developer’s lender, Country Club Bank (the “Lender”) subordinates the security interest in Bond proceeds provided to the Lender by the Developer pursuant to a collateral assignment between those two parties.

3. Acceptance by the City of a permanent drainage easement; requirement for maintenance agreement; amendment to the existing conservation easement; and additional trail amenities.

The Developer requested that the City accept a permanent drainage easement on the streamway corridor and BMP areas within the CID. The requested permanent drainage easement is within a conservation easement dedicated by the Developer. The change permits interest on the Bonds to be exempt from federal income taxation. Tax-exempt bonds have a lower interest rate thereby lowering the total special assessments. The Second Amendment also included a requirement that the Developer execute maintenance agreements and a requirement that the Developer amend its conservation easement to provide the City the right to perform any and all actions necessary to and consistent with the drainage easement. The Developer also agreed to include additional trail amenities including trail lighting, benches, trash receptacles and pet waste receptacles.

ATTACHMENT A
SUMMARY OF CITY PLACE CID ACTIONS AND CHANGES

September 8, 2014 (continued)

4. Modification to the land areas within the City Place CID subject to special assessment; modification of CID Improvements.

The Second Amendment incorporated changes to the area to be assessed and the change in the description of CID Improvements included in Ordinance No. CID-3026,B as approved on August 18, 2014 as referenced above.

5. CID Project Sales Tax Exemption.

The Developer also requested that the City apply to the Kansas Department of Revenue for a project exemption certificate (the "Exemption") so that the CID Improvements can be constructed and completed without being subject to sales on construction materials and equipment. The law permits projects financed with proceeds from CID bonds to be exempt from sales tax on construction materials. The Second Amendment provides that the City will file this Exemption request before issuance of the Bonds. If the Bonds are not issued for any reason whatsoever the Developer has agreed to indemnify the City and hold the City harmless from any sales taxes claimed, requested or required to be paid by the KDOR.

6. Other Provisions.

The Second Amendment requires that upon any adjustments, modifications or re-spread of the CID special assessments requested by Developer or required for any other any reason, the Developer will pay the City an up front, additional administrative fee equal to \$5,000 for each change.

October 20, 2014 – as proposed

- Presented for City Council approval is Resolution No. 4094 approving a third amendment to the Agreement (the "Third Amendment") which includes changes as outlined:

1. Change to the period of time during which the special assessment bonds are to be levied and collected within the City Place CID.

The Agreement currently states that the CID special assessments are to be levied and collected within the City Place CID for twenty years. However, in structuring the Bonds UMB has contemplated levy and collection of the special assessments for only nineteen (19) years. The Third Amendment to the Agreement would provide for levy and collection of special assessments for up to twenty (20) years. This modification is intended to avoid any conflict between the trust indenture for the Bonds and the Agreement.

ATTACHMENT A
SUMMARY OF CITY PLACE CID ACTIONS AND CHANGES

October 20, 2014 – as proposed (continued)

- Change the definition of “Net Proceeds” in the Agreement.

The Third Amendment will modify this definition by inserting the highlighted term as depicted below:

“Net Proceeds” means, with respect to the CID Bonds, the principal amount of the CID Bonds, less all costs of issuance including any underwriter’s discount, less any capitalized interest, less any amounts allocated to a bond reserve, plus any premium paid to the City.

This modification is also intended to avoid conflict between the trust indenture for the Bonds and the Agreement.

- Modify Assignment and Transfer Provisions.

The Third Amendment will provide that during the period that special assessments are outstanding, the Developer’s rights to assign or transfer any of the property which is located in the City Place CID to an entity that is exempt from paying special assessments will be restricted.

This is intended to avoid a situation where a landowner would not be required to pay the special assessments thus creating a shortfall of special assessment payments required to repay the Bonds.

ATTACHMENT B
PRELIMINARY PLACEMENT MEMORANDUM

NEW ISSUE

NOT RATED

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is exempt from Kansas income tax. The City has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. For a more complete description of such opinions of Bond Counsel, see the caption "TAX MATTERS" in this Private Placement Memorandum.

\$6,030,000*

**CITY OF OVERLAND PARK, KANSAS
SPECIAL ASSESSMENT BONDS, SERIES 2014
(CITY PLACE COMMUNITY IMPROVEMENT DISTRICT PROJECT)**

Dated: Date of Delivery**Due:** September 1, 2034**Interest Rate:** _____%**Price:** _____%**Yield:** _____%

The Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project) (the "Bonds") are being issued by the City of Overland Park, Kansas (the "City") pursuant to a Trust Indenture, dated as of the date of issuance of the Bonds (the "Indenture"), between the City and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the "Trustee"). The Bonds are being issued for the purpose of (i) financing the CID Improvements (as defined herein), (ii) funding a deposit to the debt service reserve fund established under the Indenture, (iii) funding capitalized interest on the Bonds through September 1, 2015 and (iv) paying the costs of issuance of the Bonds and certain administrative costs of the City.

The Bonds are special, limited obligations of the City payable solely from (i) CID Special Assessment Revenues (as defined herein), and (ii) and certain moneys on deposit under the Indenture. The Bonds and the interest thereon do not constitute a debt or liability of the City, the State of Kansas (the "State") or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and the issuance of the Bonds does not, directly, indirectly or contingently, obligate the City, the State or any political subdivision thereof to levy any form of general taxation therefor or to make any appropriation for their payment. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in this Private Placement Memorandum.

The Bonds may only be purchased by or transferred to Approved Investors (as defined herein) and only upon the execution by the proposed purchaser or transferee of a letter in substantially the form attached as Appendix D this Private Placement Memorandum, which letter shall be delivered to the Trustee. See the caption "NOTICE TO INVESTORS" in this Private Placement Memorandum.

Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2015 (each, an "Interest Payment Date").

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

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

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

The Bonds have not been registered with the Securities and Exchange Commission or any state securities commission under the Securities Act of 1933, as amended, and, therefore, cannot be resold unless they are registered under such Act and any State "blue sky" laws, as applicable, or unless an exemption from registration is available. Any purchaser of the Bonds must be purchasing such bonds for investment and not with a view toward resale in a distribution.

The Bonds are offered when, as and if issued by the City and accepted by the purchaser thereof, subject to the approval of legality by Kutak Rock LLP, Kansas City, Missouri, Bond Counsel, and certain other conditions. Public Financial Management, Inc. is serving as financial advisor to the City in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the City by its City Attorney; for the Developer by Polsinelli PC, Kansas City, Missouri; and for the Placement Agent by Bryan Cave LLP, Kansas City, Missouri. It is expected that the Bonds will be available for delivery on or about November ___, 2014.

**UMB BANK, N.A.,
acting as Placement Agent**

The date of this Private Placement Memorandum is October ___, 2014

* Preliminary; subject to change.

REGARDING USE OF THIS PRIVATE PLACEMENT MEMORANDUM

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

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

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

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

THE BONDS ARE BEING OFFERED SOLELY ON A PRIVATE PLACEMENT BASIS TO APPROVED INVESTORS. NEITHER THE BONDS NOR ANY BENEFICIAL INTEREST THEREIN MAY BE RESOLD OR TRANSFERRED BY ANY PURCHASER, EXCEPT UNDER THE CONDITIONS DESCRIBED UNDER THE CAPTIONS “THE BONDS - REGISTRATION, TRANSFER AND EXCHANGE” AND “NOTICE TO INVESTORS” IN THIS PRIVATE PLACEMENT MEMORANDUM.

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

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

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

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

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PRIVATE PLACEMENT MEMORANDUM
\$6,030,000*
CITY OF OVERLAND PARK, KANSAS
SPECIAL ASSESSMENT BONDS, SERIES 2014
(CITY PLACE COMMUNITY IMPROVEMENT DISTRICT PROJECT)

INTRODUCTION

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

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

Purpose of the Private Placement Memorandum

The purpose of this Private Placement Memorandum is to furnish information relating to (1) the City of Overland Park, Kansas (the “**City**”), (2) the City’s Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project) in the original principal amount of \$6,030,000* (the “**Bonds**”), (3) the CID Improvements (as defined herein) within the City Place CID (as defined herein) being funded in whole or in part with the proceeds of the Bonds, and (4) College 69 Associates, LLC, a Kansas limited liability company (the “**Developer**”).

The City

The City is a municipal corporation and political subdivision of the State of Kansas (the “**State**”). The City, with an estimated 2014 population of 184,706, covers approximately 75.4 square miles. The City is located in Johnson County on the eastern border of the State and comprises a portion of the Kansas City Metropolitan Statistical Area with a total current estimated population of approximately 1.8 million.

The Bonds are not a general obligation of the City and are payable solely from the revenues pledged thereto pursuant to the Indenture, as further described in this Private Placement Memorandum. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Private Placement Memorandum.

The Bonds

The City will issue the Bonds pursuant to a Trust Indenture, dated as of the date of issuance of the Bonds (the “**Indenture**”), between the City and Security Bank of Kansas City, Kansas City, Kansas (the “**Trustee**”) for the purpose of providing funds to (i) finance certain CID Improvement Costs (as defined herein) incurred in connection with the CID Improvements (as defined herein), (ii) fund a deposit to the debt service reserve fund established under the Indenture for the Bonds, (iii) fund capitalized interest on the Bonds through September 1, 2015, and (iv) pay certain costs of issuance of the Bonds and certain

* Preliminary; subject to change.

administrative costs of the City. See the caption **“PLAN OF FINANCE”** in this Private Placement Memorandum. For additional information relating to the CID Improvements see the caption **“CITY PLACE CID”** in this Private Placement Memorandum.

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

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

OTHER THAN FUNDS HELD BY THE TRUSTEE UNDER THE TERMS OF THE INDENTURE, THE BONDS ARE PAYABLE ONLY FROM THE CID SPECIAL ASSESSMENT REVENUES AS DESCRIBED IN THIS PRELIMINARY PRIVATE PLACEMENT UNDER THE CAPTION “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – CID SPECIAL ASSESSMENT REVENUES.”

Restriction on Transfers of the Bonds

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

The Development Project

The City and College 69 Associates, LLC, a Kansas limited liability company (the **“Developer”**), entered into the City Place Development Agreement, dated as March 7, 2014 (the **“Original Development Agreement”** and, as amended, the **“Development Agreement”**), for the purpose of setting forth their respective obligations with respect to the mixed-use development (the **“Project”** and the **“Development Project”**) of a parcel of real property within the boundaries of the City bounded on the North by College Boulevard, on the East by U.S. Highway 69, on the South by 115th Street and on the West by Nieman Road (the **“Project Site”**), including certain infrastructure improvements, including the construction of transportation related improvements for the construction of a structured parking facility (the **“TDD Improvements”**) and certain road improvements and related infrastructure, including the construction of 113th Street and Indian Creek Parkway (the **“CID Improvements”**). The Developer is developing the Project as a mixed-use retail, office and residential development to be known as City Place. The Developer may, subject to any conditions set forth in the Development Agreement, sell or transfer all or a portion of the Project Site to third parties for development by such third parties. See the caption **“CITY PLACE PROJECT”** in this Private Placement Memorandum for additional information related to the Development Project.

The Development Agreement authorized the establishment of a transportation development district in connection with the Development Project and the imposition of a TDD sales tax to pay for or reimbursement the costs of certain transportation-related projects. **No revenues from any TDD sales tax will be available to pay the debt service on the Bonds and any references in this Private Placement Memorandum to the TDD Improvements or any related TDD sales tax are to assist the reader in understanding the overall Development Project.**

City Place CID

On February 12, 2014, the owners of the real property within the boundaries of the Project Site filed with the City a Petition for the Creation of a Community Improvement District (the **“City Place CID”**) covering the Project Site (the **“Petition”**). The Petition requested the levy of a special assessment on the property

within the City Place CID. The City Place CID was created pursuant to the CID Ordinance (as defined in the Indenture). On September 8, 2014, the City's Governing Body passed Ordinance No. ASMT-3055 levying the maximum amount of special assessments against certain real property within the City Place CID to finance the CID Improvement Costs (as defined herein).

The CID Improvements are being undertaken and financed as a separate component of the Development Project. See the caption "**CITY PLACE CID PROJECT**" for additional information related to the CID Improvements.

Security and Sources of Payment for the Bonds

The Indenture and Trust Estate. The Bonds and the interest thereon are special, limited obligations of the City, payable solely from the CID Special Assessment Revenues as provided in the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. The "**Trust Estate**" consists of all right, title and interest of the City in:

- (a) All CID Special Assessment Revenues; and
- (b) All moneys, investments and securities from time to time held by the Trustee under the terms of the Indenture (excluding amounts held in the Rebate Fund); and
- (c) All other property of every name and nature, from time to time hereafter by delivery or by writing mortgaged, pledged, delivered or hypothecated as and for additional security under the Indenture by the City or anyone on its behalf or with its written consent in favor of the Trustee.

No Mortgage or General Obligation. The Bonds are not secured by a mortgage on any property in the City Place CID.

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

Prospective investors are advised that none of the property comprising the City Place CID or the Development Project is pledged as security for the Bonds and neither the Developer nor any future landowner within the City Place CID, nor any affiliate of the Developer or any future landowner, or any member, officer, director, agent or representative of such entities, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds. Except for the payment of the CID Special Assessments as further described in this Private Placement Memorandum, prospective investors shall have no recourse against Developer, any future landowner, or any affiliate, member, officer, director, agent or representative of such entities for any shortfall in debt service payable for principal of, premium, if any, and interest on the Bonds. See the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" in this Private Placement Memorandum.

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

Investment Considerations and Risks

Purchase of the Bonds will constitute an investment subject to significant risks, including the risk of nonpayment of principal and interest and the loss of all or part of the investment. There can be no assurance that the Project will be developed and completed in a timely and successful manner nor that the CID Special Assessments will be collected in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and to avoid a default on the Bonds in the future. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, confer with their own legal and financial advisors and be able to bear the risk of loss of their investment in the Bonds before considering a purchase of the Bonds. See the caption “**INVESTMENT CONSIDERATIONS AND RISKS**” in this Private Placement Memorandum.

Developer Ongoing Disclosure

The Developer has entered into an agreement to provide certain ongoing disclosure information to the Bondowners. See the caption “**ONGOING DISCLOSURE - Developer**” in this Private Placement Memorandum for a description of such undertaking.

Definitions, Summaries of Documents and Additional Information

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

THE BONDS

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

General

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas, including particularly the K.S.A. 12-6a26 *et seq.*, as amended (the “**Act**”). The Bonds will be issuable as fully registered bonds, without coupons, in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. The Bonds will be dated as of the date of initial issuance and delivery thereof.

The Bonds shall bear interest at the rate set forth on the cover hereof (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent Interest Payment Date to which

interest has been paid or duly provided for, payable on March 1 and September 1 in each year, beginning on March 1, 2015 (each, an “**Interest Payment Date**”).

Method and Place of Payment of the Bonds

The principal of, or Redemption Price and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal of, Redemption Price or interest payable on each Bond on any Interest Payment Date or Maturity shall be paid to the Bondowner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Trustee to the address of such Bondowner shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondowner, or (b) in the case of any payment to any Bondowner of \$1,000,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Bondowner upon written notice given to the Trustee by such Bondowner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Bondowner wishes to have such transfer directed.

Registration, Transfer and Exchange

The Trustee shall cause to be kept at its principal corporate trust office the Bond Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration, transfer and exchange of Bonds as provided in the Indenture. Pursuant to the Indenture, the Trustee is appointed “Bond Registrar” for the purpose of registering Bonds and transfers of Bonds as provided therein.

Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed thereto or imprinted thereon. The Mayor and City Clerk are authorized and directed by the Indenture to prepare and execute the Bonds in the manner specified in the Indenture, and to cause the Bonds to be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers. Bonds may be transferred or exchanged only upon the Bond Register maintained by the Trustee as provided in the Indenture.

The Mayor and City Clerk are authorized and directed by the Indenture to prepare and execute the Bonds as specified in the Indenture, and when duly executed, to deliver the Bonds to the Trustee for authentication.

The Bonds shall be sold and subsequently transferred only to purchasers who constitute Approved Investors (as defined below). In addition, any purchaser or transferee of any Bonds must deliver, or cause to be delivered to the Trustee, a duly executed investor’s letter substantially in the form set forth in **Appendix D** to this Private Placement Memorandum. The Trustee shall be entitled to rely, without any further inquiry, on any investor’s letter delivered to it and shall be fully protected in registering any sale of the Bonds or transfer or exchanges of any Bonds in reliance on any such investor’s letter which appears on its face to be correct and of which a Responsible Officer of the Trustee has no actual knowledge otherwise.

“Approved Investor” means any investor that is a Qualified Institutional Buyer or an Accredited Investor. **“Qualified Institutional Buyer”** means a qualified institutional buyer as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities Act of 1933. **“Accredited Investor”** means an accredited investor as defined in Rule 501 of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933.

Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Trustee, the City shall execute and following registration by the State Treasurer, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Maturity, of any Authorized Denominations and of a like aggregate principal amount. Provided, however, that a Bond may be transferred or exchanged in a principal amount lower than an Authorized Denomination provided that such Bond was originally in an Authorized Denomination, the principal amount of such Bond was reduced to a principal amount lower than an Authorized Denomination because of mandatory redemptions pursuant described below under subparagraph (a) of the caption “Special Mandatory Redemption” and under the caption “Mandatory Sinking Fund Redemption,” in both cases under the caption **“Redemption Prior to Maturity,”** and the transferee acquires the full principal amount of the Outstanding Bond.

Bonds may be transferred and exchanged only on the Bond Register as provided in the Indenture. Upon surrender of any Bond at the principal corporate trust office of the Trustee, the Trustee shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Trustee, duly executed by the Bondowner thereof or by the Bondowner’s duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Trustee, are the responsibility of the Bondowners of the Bonds. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may make a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner under the Indenture or under the Bonds.

The City and the Trustee shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Trustee pursuant to the Indenture and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Indenture.

The City and the Trustee may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Bondowner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Bondowner or upon the Bondowner’s order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Bondowners (or a designated representative thereof) of 10% or more in

principal amount of the Bonds then Outstanding or any designated representative of such Bondowners whose authority is evidenced to the satisfaction of the Trustee.

Redemption Prior to Maturity

Optional Redemption. The Bonds are subject to redemption and payment prior to Maturity, at the option of the City, on and after September 1, 2022,* in whole or in part (selection of maturities and the amount of Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) on any date in Authorized Denominations, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Any provision in the Indenture to the contrary notwithstanding, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, the notice of optional redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds, and such notice and optional redemption shall be of no effect if by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds are not on deposit with and available to the Trustee.

Special Mandatory Redemption.

(a) The Bonds shall be subject to special mandatory redemption and payment prior to stated maturity, in whole or in part, on the earliest practicable date(s), at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date thereof from funds transferred or deposited into the Redemption Subaccount of the Debt Service Account pursuant to Section 4.03(c) of the Indenture relating to funds remaining in the Construction Account following completion of the CID Improvement or Section 4.04(a)(vi) of the Indenture relating to any CID Special Assessment Prepayments by a property owner (see the subcaptions “Construction Account (including the Costs of Issuance Subaccount)” and “Debt Service Account (including the Capitalized Interest Subaccount and the Redemption Subaccount)” under the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Indenture Funds and Accounts**” in this Private Placement Memorandum).

(b) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the Debt Service Account and the Redemption Subaccount of the Debt Service Account and the Debt Service Reserve Fund are sufficient to redeem all of the Bonds, at a Redemption Price of 100% of the Bonds Outstanding, together with accrued interest thereon to the Redemption Date.

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* Preliminary; subject to change.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption, in part, on September 1 in each of the years and in the principal amounts set forth below, at a Redemption Price of 100% of the principal amount of the Bonds to be redeemed plus interest accrued to the Redemption Date:

<u>Year*</u>	<u>Principal Amount*</u>	<u>Year*</u>	<u>Principal Amount*</u>
2016	\$ 195,000	2026	\$ 320,000
2017	205,000	2027	340,000
2018	220,000	2028	355,000
2019	230,000	2029	375,000
2020	240,000	2030	395,000
2021	250,000	2031	410,000
2022	265,000	2032	425,000
2023	275,000	2033	455,000
2024	290,000	2034**	480,000
2025	305,000		

* Preliminary; subject to change.

** Final Maturity

Selection by Trustee of Bonds to be Redeemed. The Bonds may be redeemed only in Authorized Denominations; provided that the Bonds to be redeemed pursuant to the provisions described above under subparagraph (a) under the caption “Special Mandatory Redemption” and under the caption “Mandatory Sinking Fund Redemption” shall be redeemed in increments of \$5,000.

If less than all the Bonds of any Maturity are to be redeemed, the particular Bonds to be redeemed by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions equal to minimum Authorized Denominations; provided that Bonds to be redeemed pursuant to the provisions described above under subparagraph (a) under the caption “Special Mandatory Redemption” and under the caption “Mandatory Sinking Fund Redemption” shall be redeemed in increments of \$5,000. A credit against the principal amount of Bonds to be redeemed pursuant to the provisions described above under the caption “Mandatory Sinking Fund Redemption” shall apply in inverse order of the mandatory sinking fund redemption dates to the extent any portion of the Bonds are redeemed pursuant to the provisions described above under the caption “Optional Redemption” or under subparagraph (a) under the caption “Special Mandatory Redemption.”

Nothing contained in the Indenture shall prohibit the reduction of the principal amount of a Bond to a principal amount less than an Authorized Denomination as a result of mandatory redemptions pursuant to the provisions described above under subparagraph (a) under the caption “Special Mandatory Redemption” and under the caption “Mandatory Sinking Fund Redemption” provided that the original principal amount of such Bond was in an Authorized Denomination.

The Trustee shall promptly notify the City in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice and Effect of Call for Redemption. If the City shall call any Bonds for optional redemption and payment prior to the Maturity thereof pursuant to the provisions described above under the caption “Optional Redemption,” the City shall provide written notice to the Trustee no later than 45 days prior the Redemption Date (unless a shorter period is acceptable to the Trustee) instructing the Trustee to give written notice of redemption to the Bondowners and the State Treasurer. On the earliest practical date following the deposit of moneys described above under the caption “Special Mandatory Redemption,” the Trustee shall proceed to call the principal amount of the Bonds indicated above for redemption and give written notice of such call with no further instructions from the City. On or before the 30th day prior to each such sinking

fund redemption date described above under the caption “Mandatory Sinking Fund Redemption,” the Trustee shall proceed to call the principal amount of the Bonds indicated above for redemption on the next September 1 and give written notice of such call to the Bondowners and the State Treasurer with no further instructions from the City. Each of said written notices of redemption to Bondowners shall be deposited in the United States first-class mail not less than 30 days and not more than 60 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Trustee.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Trustee receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Trustee shall not redeem such Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Bondowner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

At or prior to any Redemption Date, moneys shall be deposited with the Trustee in an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

Provided moneys have been deposited with the Trustee in an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date and notice of redemption has been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Trustee. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Indenture for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Bondowner a new Bond or Bonds of the same Maturity in the amount of the unpaid principal as provided in the Indenture. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Trustee as provided in the Indenture and shall not be reissued.

Payment, Discharge and Defeasance of Bonds

Bonds will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if the City 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 Trustee for cancellation; or

(c) by depositing in trust with the Trustee or other Paying Agent Government 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 Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or redemption dates only with Government Obligations pursuant to subsection (c) above, subject to receipt by the Trustee of (1) a verification report in form and substance satisfactory to the Trustee prepared by independent certified public accountants, or other verification agent, satisfactory to the Trustee, and (2) an Opinion of Counsel addressed and delivered to the Trustee and the City in form and substance satisfactory to the Trustee and the City 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 Indenture has been provided for in the manner set forth in the Indenture.

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

Moneys and Government Obligations so deposited with the Trustee pursuant to the preceding paragraphs shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys and Government Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Government Obligations have been deposited with the Trustee.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations; Sources of Payment

The Bonds and the interest thereon shall be special, limited obligations of the City payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and proceeds) solely out of the CID Special Assessment Revenues, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any political subdivision thereof; but shall be payable solely from the CID Special Assessment Revenues and the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State, the City or any political subdivision thereof to levy any form of general taxation therefor or to make any appropriation for their payment. The Trust Estate consists of:

(a) All CID Special Assessment Revenues; and

(b) All moneys, investments and securities from time to time held by the Trustee under the terms of the Indenture (excluding amounts held in the Rebate Fund); and

(c) All other property of every name and nature, from time to time hereafter by delivery or by writing mortgaged, pledged, delivered or hypothecated as and for additional security under the Indenture by the City or anyone on its behalf or with its written consent in favor of the Trustee.

Prospective investors are advised that none of the property comprising the City Place CID or the Development Project is pledged as security for the Bonds and neither the Developer nor any future landowner within the City Place CID, nor any affiliate of the Developer or any future landowner, or any member, officer, director, agent or representative of such entities, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds. Except for the payment of the CID Special Assessments as further described in this Private Placement Memorandum, prospective investors shall have no recourse against Developer, any future landowner, or any affiliate, member, officer, director, agent or representative of such entities for any shortfall in debt service payable for principal of, premium, if any, and interest on the Bonds.

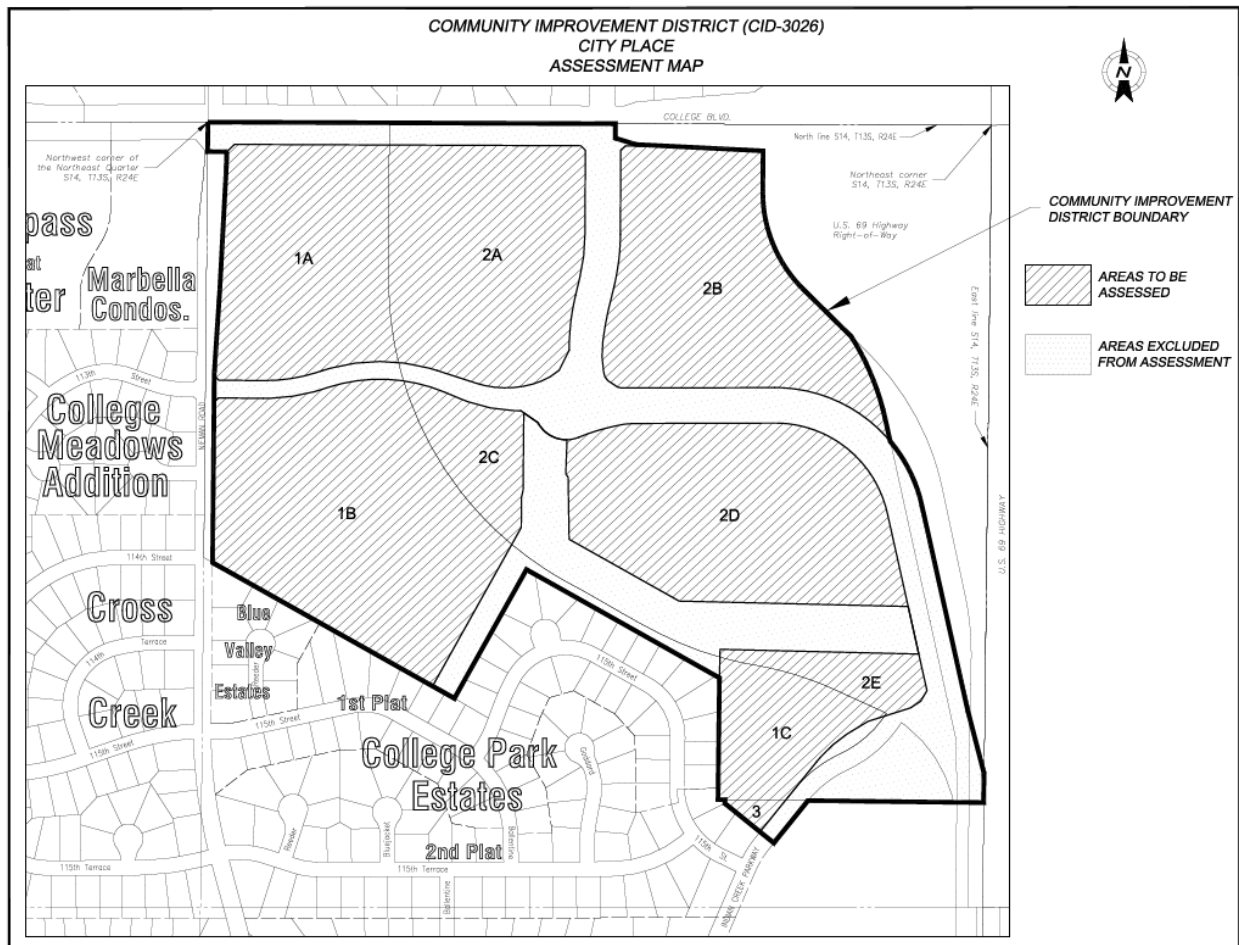
CID Special Assessment Revenues

“CID Special Assessment Revenues” means the revenues derived, received and collected within the City Place CID from the CID Special Assessments.

“CID Special Assessments” means the special assessments levied in the City Place CID and received by the City pursuant to Ordinance No. ASMT 3055 of the City passed on September 8, 2014, and any amendments thereto as required by the Act (the **“CID Special Assessments Ordinance”**).

(Remainder of this page intentionally left blank)

Pursuant to the CID Special Assessments Ordinance, the Governing Body of the City determined that the costs of the CID Improvements is \$6,030,000 and established the maximum amount to be specially assessed to be \$6,030,000. The CID Special Assessments Ordinance levied the maximum amount (\$6,030,000) of special assessments against certain real property within the City Place CID based on the total square feet of assessed property and the maximum project costs, resulting in a square foot assessment of \$1.923 over the life of the assessment period. The following map depicts the current tract numbers within the City Place CID and the areas within the City Place CID excluded from the CID Special Assessments:



The Developer will complete the replatting of the property within the City Place CID in phases prior to commencing the development of each parcel. Once the replatting process is complete, the City will respread the CID Special Assessment to each replatted parcel based on the square footage of each parcel to the total square footage of assessable land within the City Place CID, the same method used to originally allocate the CID Special Assessments to the current tracts. In the future, additional replats of property within the City Place CID may occur, resulting in the need to respread the CID Special Assessments based on the replatted parcels and the per square foot amount computed in accordance with the CID Special Assessment Ordinance.

The CID Special Assessments Ordinance provides that if the final costs of the completed CID Project are less than the maximum amount of the assessments, the Governing Body shall adjust the assessments to reflect the cost of the completed CID Project at such time as the final actual costs are certified which would lower the per square foot levy amounts described above..

Special assessments, with accrued interest, are to be levied concurrent with general property taxes and shall be payable in 19 annual installments. The first installment shall be due with the general property taxes due on December 20, 2015. All assessments shall bear an interest rate not to exceed 5.25%.

Indenture Funds and Accounts

Creation of Funds and Accounts. Pursuant to the Indenture, there are created and ordered to be established with the Trustee the following separate funds and accounts, which funds and accounts shall be held in the custody of the Trustee pursuant to the Indenture:

(a) City of Overland Park, Kansas – City Place CID Revenue Fund (the “**Revenue Fund**”), and within such fund the following accounts:

(i) City of Overland Park, Kansas – City Place CID Construction Account (the “**Construction Account**”) and within such account the following separate subaccount:

(A) City of Overland Park, Kansas – City Place CID Costs of Issuance Subaccount (the “**Costs of Issuance Subaccount**”).

(ii) City of Overland Park, Kansas – City Place CID Debt Service Account (the “**Debt Service Account**”), and within such account the following separate subaccounts:

(A) City of Overland Park, Kansas – City Place CID Redemption Interest Subaccount (the “**Redemption Subaccount**”)

(B) City of Overland Park, Kansas – City Place CID Capitalized Interest Subaccount (the “**Capitalized Interest Subaccount**”)

(iii) City of Overland Park, Kansas – City Place CID Debt Service Reserve Fund (the “**Debt Service Reserve Fund**”).

(b) City of Overland Park, Kansas – City Place CID Rebate Fund (the “**Rebate Fund**”).

(c) City of Overland Park, Kansas – City Place CID Administrative Expense Fund (the “**Administrative Expense Fund**”).

Said funds and accounts shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the Trustee and shall not be commingled with any other moneys, revenues, funds and accounts of the Trustee. The funds and accounts referred to above shall be maintained and administered in the manner provided in the Indenture so long as any of the Bonds remain Outstanding under the Indenture.

Revenue Fund. Pursuant to the Indenture, the City covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding, all of the CID Special Assessment Revenues derived and collected from the City Place CID shall as and when received be paid and deposited into the Revenue Fund held by the Trustee under the Indenture. CID Special Assessment Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City.

Construction Account (including the Costs of Issuance Subaccount).

(a) Pursuant to the Indenture, the Trustee shall deposit and credit to the Construction Account or, if specified, to the Costs of Issuance Subaccount therein, as and when received:

(i) To the Construction Account, the amounts required to be deposited from the proceeds of the sale of the Bonds; and

(ii) To the Construction Account or Costs of Issuance Subaccount, as applicable, interest earnings and other income on Permitted Investments required to be deposited therein pursuant to the Indenture.

(b) Moneys in the Construction Account shall be used solely for the purpose of paying the CID Improvements Costs as provided in the Indenture, in accordance with the plans and specifications therefor, including any alterations in or amendments to said plans and specifications approved in accordance with the Development Agreement.

Except as otherwise provided in the Indenture, the Trustee shall disburse moneys on deposit in the Construction Account from time to time to pay or reimburse payment made for the CID Improvements Costs, within three Business Days after receipt by the Trustee of written disbursement requests of the Developer properly completed in all respects and in substantially the form attached to the Indenture, signed by the Authorized Developer Representative and approved by the Authorized City Representative. Notwithstanding the preceding sentence, if the City provides written notice to the Trustee that Developer Nonperformance (as defined in the Indenture) has occurred and that the City had elected to complete construction of the CID Improvements, the Trustee shall cease making any disbursements from the Construction Account to the Developer and shall only pay or reimburse payment made for the CID Improvements Costs to the City, in each case within three Business Days after receipt by the Trustee of written disbursement requests of the City properly completed in all respects and in substantially the form attached to the Indenture, signed by the Authorized City Representative.

The Trustee shall disburse moneys on deposit in the Costs of Issuance Subaccount within the Construction Account from time to time to pay or as reimbursement for payment made for the Costs of Issuance, in each case within three Business Days after receipt by the Trustee of written disbursement requests of the City properly completed in all respects and in substantially the form attached to the Indenture, signed by the Authorized City Representative.

In making payments pursuant from the Construction Account including the Costs of Issuance Subaccount, the Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to make any independent investigation in connection therewith. If for any reason the City or the Developer should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment. The Trustee shall keep and maintain adequate records pertaining to the Construction Account including the Costs of Issuance Subaccount and all disbursements therefrom, and shall file periodic statements of activity regarding the Construction Account including the Costs of Issuance Subaccount with the City.

(c) If funds remain in the CID Construction Account after: (i) completion of the CID Improvements, (ii) reasonable investigation by the City that all costs payable from the CID Construction Account have been paid and (iii) the transfer of all rebatable earnings to the Rebate Fund pursuant to the Indenture, the City shall provide written notice to the Trustee to deposit any remaining balance in the CID Construction Account (i) first to the Debt Service Reserve Fund to the extent necessary to attain the amount required to be on deposit therein as of the date of such deposit; and (ii) next to the Redemption Subaccount to redeem Bonds at the earliest permissible date under the Indenture.

Debt Service Account (including the Capitalized Interest Subaccount and the Redemption Subaccount).

(a) Pursuant to the Indenture, the Trustee shall make deposits and credits to the Debt Service Account or, if specified, to the Capitalized Interest Subaccount or Redemption Subaccount, as and when received, as follows:

(i) To the Capitalized Interest Subaccount, the amounts required to be deposited from the proceeds from the sale of the Bonds;

(ii) To the Debt Service Account, all CID Special Assessment Revenues received from the Revenue Fund other than the amount of CID Special Assessment Prepayments required to be deposited in the Redemption Subaccount pursuant to the Indenture;

(iii) To the Redemption Subaccount, any amount required to be transferred from the Construction Account to the Redemption Subaccount upon completion of the CID Improvements pursuant to Section 4.03(c) of the Indenture (see subparagraph (c) under the caption "Construction Account (including the Costs of Issuance Subaccount)" above);

(iv) To the Debt Service Account, the amounts to be transferred thereto from the Capitalized Interest Subaccount after September 1, 2015, pursuant to of the Indenture;

(v) To the Debt Service Account, the Redemption Subaccount or the Cost of Issuance Subaccount, as applicable, interest earnings and other income on Permitted Investments required to be deposited therein pursuant to the Indenture;

(vi) To the Redemption Subaccount, CID Special Assessment Prepayments received from the Revenue Fund pursuant to Section 5.01 of the Indenture to be deposited into the Redemption Subaccount excluding amounts required to make any scheduled payment of principal of or interest on the Bonds prior to the date redemption notice can be provided to Bondowners of a mandatory redemption of Bonds pursuant to the provisions described above under subparagraph (a) under the caption "**THE BONDS - Redemption Prior to Maturity – Special Mandatory Redemption;**"

(vii) To the Debt Service Account, amounts under \$5,000 remaining in the Redemption Subaccount after the special mandatory redemption of Bonds pursuant to the provisions described above under subparagraph (a) under the caption "**THE BONDS - Redemption Prior to Maturity – Special Mandatory Redemption;**" and

(viii) all other moneys received by the Trustee with direction from the City to deposit the same into the Debt Service Account or any subaccount therein.

(b) The moneys in the Debt Service Account shall be held in trust and shall be applied solely in accordance with the provisions of the Indenture to pay the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable. Except as otherwise provided in the Indenture or in the Tax Compliance Agreement, moneys in the Debt Service Account shall be expended solely as follows: (a) *first*, to pay interest on the Bonds as the same becomes due; (b) *second*, to pay principal of the Bonds as the same mature or become due and upon mandatory redemption thereof; and (c) *third*, to pay principal of and interest on the Bonds as the same become due upon optional redemption prior to Maturity. Moneys in the Capitalized Interest Subaccount shall be used to pay interest on the Bonds through September 1, 2015. The Capitalized Interest Subaccount shall be closed after September 1, 2015, and any moneys remaining on deposit in the Capitalized Interest Subaccount after September 1, 2015, shall be transferred to the Debt Service Account.

(c) Pursuant to the Indenture, the City authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Account, including, as specified in the Indenture from the Capitalized Interest Subaccount, 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 the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

(d) The Trustee shall make any transfers from the Debt Service Account including the Capitalized Interest Subaccount and Redemption Subaccount, to the Rebate Fund to the extent required to do so by the Tax Compliance Agreement.

(e) 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), all arbitrage rebate to the United States and the fees, charges and expenses of the Trustee, any Paying Agent and the City, and any other amounts required to be paid under the Indenture, all amounts remaining in the Debt Service Account shall be paid to the City to be used in accordance with the Act.

Debt Service Reserve Fund. The Debt Service Reserve Fund shall be maintained in an amount equal to the Debt Service Reserve Requirement for the Bonds (\$_____). The Trustee shall deposit and credit to the Debt Service Reserve Fund, as and when received, as follows:

- (a) the deposit required from the proceeds of the sale of the Bonds;
- (b) the amounts required to be deposited by the Indenture; and
- (c) all other moneys received by the Trustee, when accompanied by directions from the City that such moneys are to be paid into the Debt Service Reserve Fund.

Except as otherwise provided in the Indenture, moneys in the Debt Service Reserve Fund shall be disbursed and expended by the Trustee solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds if sufficient moneys therefor are not available, in the Debt Service Account and (with respect to interest only) in the Capitalized Interest Subaccount. In the event the balance of moneys in the Debt Service Account and Capitalized Interest Subaccount (with respect to interest only) are insufficient to pay principal of, and interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Account and Capitalized Interest Subaccount (with respect to interest only) in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys on deposit in the Debt Service Reserve Fund may be used to pay the final Debt Service Requirements on the Bonds at Maturity, and when no Bonds remain Outstanding shall be paid to the City.

The Trustee shall determine the Value of cash and Permitted Investments in the Debt Service Reserve Fund each Interest Payment Date and at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If at any time of valuation, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement the amount of such excess shall be transferred to the Administrative Expense Fund. The Debt Service Reserve Requirement may be satisfied by deposits in cash or Permitted Investments.

The Trustee shall provide written notice of any drawing on the Debt Service Reserve Fund to the City within five days of such drawing.

Administrative Expense Fund.

(a) Pursuant to the Indenture, the Trustee shall deposit and credit to the Administrative Expense Fund, as and when received:

- (i) the amounts required to be deposited therein under the Indenture;
- (ii) interest earnings and other income on Permitted Investments required to be deposited in the Administrative Expense Fund pursuant to the Indenture; and
- (iii) all amounts paid by the Developer pursuant to the Development Agreement.

(b) Moneys in the Administrative Expense Fund shall be used to pay to pay Administrative Expenses to the extent such expenses have not been paid or advanced by the Developer. If, at any time, there are insufficient funds in the Administrative Expense Fund to pay all Administrative Expenses, the Trustee shall provide notice to the Developer and City of the Developer's obligation to pay such fees in accordance with the Development Agreement. Moneys on deposit in the Administrative Expense Fund after all required rebate amounts have been paid, and all Administrative Expenses have been paid (or provision has been made for their payment) may be used to pay the final Debt Service Requirements on the Bonds at their final Maturity, and, when no Bonds remain Outstanding, shall be paid to the City.

The Trustee shall keep and maintain adequate records pertaining to the Administrative Expense Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Administrative Expense Fund with the City.

Rebate Fund.

(a) Pursuant to the Indenture, there shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Compliance Agreement), for payment to the United States of America, and neither the City, the Trustee nor the Bondowner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Indenture and the Tax Compliance Agreement.

(b) The City shall cause the amount of any arbitrage rebate under Section 148(f) of the Code in accordance with the Tax Compliance Agreement to be determined, and the Trustee shall make payments to the United States of America at the times and in the amounts determined under the Tax Compliance Agreement. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any required rebate amount, or provision made therefor, shall be used first to pay any Administrative Expenses and then paid to the City.

(c) Notwithstanding any other provision of the Indenture, including in particular Article XII of the Indenture, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of the Indenture and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds.

Refunding Bonds

The City shall have the right to refund all of the Bonds under the provisions of any law then available. The City shall have the right to refund any portion of the Bonds, and, if the Debt Service Requirements for the refunding bonds is equal to or less than the Debt Service Requirements for the Bonds being refunded, the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds that are not refunded upon the funds and accounts pledged under the Indenture and any supplemental indenture

providing for the issuance of the refunding bonds shall require any amount of CID Special Assessments not required to pay the scheduled principal (whether at stated maturity or mandatory redemption) to be applied to the redemption of the Bonds and such refunding bonds on a pro rata basis within the limits of the Authorized Denominations.

LEVY, ABATEMENT AND COLLECTION OF SPECIAL ASSESSMENTS

The Act provides for the levy of special assessments upon real property within a community improvement district to pay for all or part of the costs of the community improvement project. To levy such special assessments, “the municipality shall follow the assessment procedures in K.S.A. 12-6a01 *et seq.*, and amendments thereto...” K.S.A. 12-6a10 provides the procedures for the levy of assessments. The statute provides that “assessments, with accrued interest, shall be levied as a special tax upon the property included therein concurrent with general property taxes, and shall be payable in not more than 20 equal annual installments, as the governing body determines” and “such assessment shall be collected and paid over to the city treasurer in the same manner as other taxes of the city are collected and paid.”

In construing similar language for special assessments for sewer districts the Kansas Attorney General in Opinion No. 82-95 has opined that special assessments should be viewed as identical to a general property tax for purposes of collection. The Attorney General concluded that, because special assessments were to be collected in the same manner as other property taxes, the failure of a property owner to pay such assessments subjects the property to sale by the county.

Generally, special assessments, including the CID Special Assessments, must be levied and certified by the City Clerk to the County Clerk of Johnson County, Kansas (the “**County**”) prior to August 25 of each year. Under State law, such assessments, including the CID Special Assessments, shall be collected by the County, as described below, and paid over to the City treasurer in the same manner as other taxes of the City are collected and paid by the County.

Each year before December 15, the County treasurer sends a real property tax statement by first class mail to each taxpayer. The tax statement includes both ad valorem taxes and special assessments due for the year. The taxpayer may pay, at such person’s option, the full amount due on or before December 20 of each year or one-half of the full amount due on or before December 20 and the balance by the following May 10. If the full amount due is not paid by December 20, interest accrues thereon at an interest rate equal to the “underpayment rate” established by Section 6621 of the Code, which amount is equal to the greater of (i) the Federal short-term rate, computed in accordance with the Code, plus an additional 1%, or (ii) 10%, as required by K.S.A. 79-2968, if computed annually; if the full amount due is not paid by the next May 10, additional interest continues to accrue as provided in those statutes. Generally, such interest payments collected are credited to a county’s general fund unless such county and city have entered into an interlocal agreement for the distribution of all or any portion of interest paid on special assessments. The City has not entered into such an interlocal agreement with the County.

The statutes regarding delinquent taxes do not provide any discretion to the county treasurer with regards to which properties will be subject to sale and which properties will be “bid off by the county.” The Kansas Supreme Court (Board of Com’rs of Wyandotte County v. Adams, 154 Kan. 233, 117 P.2d 760, 762 (1941)) and the Attorney General have made clear, that when it comes to collecting special assessments, those assessments are to be treated the same as general real estate taxes.

All real estate on which real estate taxes, including CID Special Assessments, have not been paid on or before May 10 in each year shall be subject to a delinquent tax sale. Between July 1 and July 10 of each year, the County treasurer prepares a list of all real estate subject to sale. Notice of the sale is published for three consecutive weeks, commencing on or before August 1. The sale must take place on or after the first Tuesday of September. At the sale, the County treasurer bids, in the name of the County, on the property for the amount of all real estate taxes, including CID Special Assessments, and legal charges then due. No other

bids are taken. For the purposes of the County bid, the County currently bids only on real estate on which there are both delinquent general ad valorem taxes and delinquent special assessments. At present, the County does not accept a partial payment of the combined bill for real estate taxes and special assessments, when due, and rejects payment of less than the total amount then due for the combined payment of both real estate taxes and special assessments, as described below. Consequently, any offer of payment of less than such total amount of real estate taxes and special assessments then due for payment, will not adversely impact the timing of the bid procedures. There is no history to determine, if pursuant to K.S.A. 79-2401a, the County would bid on real estate on which there are only delinquent special assessments levied by the city, county or other municipality pursuant to a petition or request of the landowners. The County bid is a paper transaction. The County does not pay delinquent taxes or assessments, nor does the County take title to the property. Generally, taxpayers (and certain other parties including the taxpayer's assigns) initially can redeem their property after the date of the sale by following the procedures in K.S.A. 79-2401a, *et seq.* The initial redemption period varies from one to three years depending on the location and condition of the property and the nature of the delinquent taxes. The anticipated redemption period for property within the Development Project is two years based on the expected uses of such property and current law.

The County currently does not accept a partial payment of the combined bill for real estate taxes and special assessments. The County, however, is authorized under state law to accept partial payments of delinquent real property taxes, including CID Special Assessments, during the redemption period, but only in accordance with payment guidelines established therefore by the County treasurer. The County treasurer has not adopted payment guidelines that would authorize partial payments of real estate taxes and special assessments. In any event, such taxes, including payment of any CID Special Assessments, must be paid in full prior to the time of foreclosure to further stay those proceedings. (See Attorney General Opinion No. 96-50).

If the real estate has not been redeemed in full by the expiration of the redemption period, the County can commence a foreclosure action in the district court of the County. Under K.S.A. 79-2801(a), the board of county commissioners of a county shall order the county attorney or county counselor to institute an action in the district court, in the name of the board of county commissioners, against the owners or supposed owners of real estate, which has been subject to redemption under K.S.A. 79-2401a, and which has been or shall be sold and bid in by a county at any delinquent tax sale and remains unredeemed on September 1 of the second year after the sale. Whenever the aggregate assessed valuation of the real estate subject to sale is less than \$300,000, or the aggregate amount of delinquent taxes, including special assessments, is less than \$10,000, the bringing of such action is within the discretion of the board of county commissioners. The City, by statute, may provide legal and other assistance to the County to secure the judicial foreclosure. If the County fails to initiate proceedings for a judicial tax foreclosure sale on property located within the corporate limits of the City and the taxes on such property have remained delinquent for at least three years after such property becomes eligible for sale by the County, the City may initiate a judicial tax foreclosure sale. Bondholders should be aware that the City has not in the past and has no obligation to provide any legal or other assistance to the County to secure a judicial foreclosure.

In a successful foreclosure action, the court will enter a foreclosure decree authorizing the sale of the real estate subject to a first and prior lien of real estate taxes, including special assessments. The real estate subject to such lien is then sold at a judicial foreclosure sale. **As a consequence of the various tax and assessment foreclosure statutes and procedures summarized above, it could take up to eight years for a delinquent assessment foreclosure to be completed, although changes in law, lack of adequate County staff to process such foreclosures or other factors could extend the time necessary to complete a special assessment foreclosure in the future.**

The Kansas Supreme Court, in construing the provisions of K.S.A. 79-2801, has concluded that special assessments have concurrent priority with the general real estate property tax liens. Board of County Com'rs of Wyandotte County v. Adams, 154 Kan. 233, 117 P.2d 760, 762 (Kan. 1941). The proceeds from the

foreclosure sale are apportioned among various taxing entities, if practicable, based on each entity's proportionate interest in the entire lien for taxes and interest included in the foreclosure action. If the court finds such proration impracticable, distribution is made among the various taxing entities as the court directs. If the proceeds from the foreclosure sale are insufficient to pay the entire lien for taxes and interest, then the court deducts sale costs and apportions the balance among the various taxing entities.

No assurances can be given that the real property subject to tax sale will be sold or redeemed or, if sold or redeemed, that the proceeds of such sale or redemption will be sufficient to pay any delinquent CID Special Assessment installment. Neither of the Act, the Indenture, the Development Agreement nor any ordinances enacted in connection with the transactions contemplated hereby and thereby requires the City to pay the delinquent CID Special Assessments relating to any lot or parcel of property offered for tax sale if there is no purchaser at such tax sale.

If the Debt Service Reserve Fund is depleted and delinquencies in the payment of CID Special Assessments exist, there could be a default or delay in payments to the Bondowners pending tax sale of property or foreclosure of redemption proceedings and receipt by the City of delinquent Special Assessments, if any.

PLAN OF FINANCE

Purpose of the Bonds

The City will issue the Bonds pursuant to the Indenture for the purpose of providing funds to (i) finance the CID Improvements Costs, (ii) fund a deposit to the debt service reserve fund, (iii) fund capitalized interest on the Bonds through September 1, 2015, and (iv) pay the costs of issuance of the Bonds and certain administrative costs of the City.

See the caption “**CITY PLACE CID PROJECT**” in this Private Placement Memorandum for additional information relating to the CID Improvements being financed with the proceeds from the sale of the Bonds.

Sources and Uses of Bond Funds

Following is a summary of the anticipated sources and uses of funds in connection with the issuance of the Bonds, exclusive of accrued interest, if any:

Sources of Funds:

Principal Amount of Bonds	\$ 6,030,000.00
Total Sources of Funds	<u>\$ 6,030,000.00</u>

Uses of Funds:

Deposit to the Project Fund	\$ _____
Deposit to the Debt Service Reserve Fund	_____
Deposit to the Capitalized Interest Subaccount	_____
Transfer to the City for the City Administrative Fee	_____
Deposit to the Costs of Issuance Subaccount (including the Placement Agent's fee)	_____
Total Uses of Funds	<u>\$ 6,030,000.00</u>

CITY PLACE CID PROJECT

The CID Improvements to be financed with the proceeds of the Bonds include the following the following:

The general components of the CID project include but are not limited to: design and construction of 113th Street and Indian Creek Parkway improvements to include the streets; sidewalks; streetscape; sanitary and storm sewers; drainage conduits, basins, and channels, including the relocation and reengineering of the onsite stream way; street light fixtures; water main and extensions; public trail corridor system; power infrastructure; earthwork; retaining walls; utility improvements and relocation; landscaping; and all associated costs and fees.

The 113th Street improvements will create an entrance into the Project Site from Nieman Road, the west boundary the Project Site. The Indian Creek Parkway improvements will create an additional south entrance into the Project Site that will connect with Switzer Road. For a map off the location of these road improvements, see the caption “**CITY PLACE PROJECT – Master Plan Map**” in this Private Placement Memorandum.

CITY PLACE PROJECT

Overview

Pursuant to the Development Agreement, the Developer has agreed to design, develop and construct the Project on the Project Site. The Project Site consist of approximately 89.60 acres, approximately 9.50 of which has been set aside under a conservation easement and will not be available for development (see the caption “**Conservation Easement**” below), leaving approximately 80.10 acres available for development.

The Project is planned to be a mixed-use retail, office and residential development that will include the CID Improvements (as described above) and the TDD Improvements (as such term is described below under subparagraph (v)) and the Switzer Improvements (as such term is described below under the caption “**Other Improvements**”). Components of the Project are expected to include the following (references to the parcel numbers in the descriptions below are to the parcels set forth in the development plan map set forth below under the “**Master Plan Map**”):

(i) Retail Space. Approximately 39,860 square feet of first-class, mixed-use retail shopping, which may include, among other concepts, specialty and boutique shops, restaurants, entertainment and other retail concepts (see Parcel VII).

(ii) Office Space. Approximately 600,250 square feet of Class A office space located in at least four buildings (see Parcel VIII).

(iii) Multi-Family Residential. Approximately 1,382 first-class, luxury residential units, which shall, at a minimum, including the following: (i) 15 apartment buildings, plus certain units within one mixed-use building, all of the same or better quality than a nearby development, initially marketed and offered at renting for a blended rate in excess of \$1.20 per square foot (see Parcels I, II and IV).

(iv) Senior Living. Approximately 140 units of high-quality senior living facilities and related amenities (see Parcel VI).

(v) TDD/Parking Improvements. In addition to the surface parking that the Developer will construct to service the improvements described in (i) through (iv) above (all of which will be in compliance with applicable laws and regulations), the Developer will also design and construct structured

parking improvements (the “**Parking Improvements**”), including without limitation, access control to the Parking Improvements, fire suppression and waterproofing, pedestrian ingress and egress access in and about the Parking Improvements, signage and traffic control for the Parking Improvements. The Developer agreed that no less than 25% of the Parking Improvements will be open and available to the public for paying in connection with and accessible to the retail business on the Project Site. The “**TDD Improvements**” consist of the structured parking facility constructed in connection with the mixed-use retail and residential portion of Parcel III).

(vi) CID Improvements. See the caption “**THE CITY PLACE CID**” in this Private Placement Memorandum for information relating to the CID Improvements.

(vii) Landscaping and Green Space Improvements. Landscaping and green space improvements will include a walkway and trail system, internal parks, green spaces and new trees and other landscaping for the Project Site, which are subject to the approval of the City under the Development Agreement (the “**Landscaping Plan**”).

The City and the Developer have agreed that the improvements are to be constructed in multiple phases. The anticipated scope and timing of each phase is expected to be as follows:

<u>Parcel</u>	<u>Description</u>	<u>Start Year</u>	<u>Completion Year</u>
IV	RP-6 Residential Apartments “Bldg 5”	2014	2016
X	CO-O Office	2015	2016
VI	RP-6 (SUP) Residential Senior Living	2015	2017
II	RP-6 Residential Apartments “Bldg 1-5”	2016	2018
VII	MXD “Bldg 1-4”	2017	2018
VIII	CP-O Office	2017	2018
IX	CP-O Office	2018	2019
I	RP-6 Residential Apartments “Bldg 1-5”	2018	2020
III & IIIB	MXD Residential Mixed Use	2019	2021
XI	CP-O Office	2020	2021

Subject to certain excusable delays, if the Developer fails to meet the anticipated performance milestones described in the chart above, the City may require the Developer to appear before the City to show cause why the Developer failed to comply with such performance milestones. In the event that the Developer cannot show cause the delay that is reasonable satisfactory to the City, then the City may exercise its rights and remedies as set forth in the Development Agreement.

The components of the Project, including locations within the Project Site, the expected phasing sequence and the completing timing for each phase could be changed under the term Development Agreement. Any such changes would require the approval of the City and the Developer and an amendment to the Development Agreement.

The Project will be located on a prominent infill site in the Kansas City metropolitan statistical area, at the intersection of Highway 69 and College Boulevard, just south of the Interstate 435/Highway interchange. These interchanges are three of Johnson County’s most highly trafficked corridors, with traffic counts of 124,562 cars per day at the I-435/Highway 69 interchange and 125,742 cars per day at the intersection of Highway 69 and College Boulevard.

In connection with the proposed development of the Project, the Developer acquired the Project Site and another parcel known as the north parcel (as further described below under the caption “**The Developer**”), for \$15,772,770. In connection with the preparation of the Project Site for development, approximately \$13,201,705 is expected to be invested in the Project Site through the issuance of the Bonds and expenditure of the proceeds for the CID Improvements and the City’s funding of the Switzer Improvements, as summarized in the chart below:

CID Improvements (excluding financing costs)*	\$ 4,982,480
Switzer Improvements (excluding financing costs)*	<u>8,219,225</u>
Total	<u>\$ 13,201,705</u>

* Current estimated project costs which are preliminary and subject to change.

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Master Plan Map

The following map depicts the master plan for the Project:



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The Developer has agreed to set aside approximately 9.50 acres of the Project Site pursuant to a conservation easement. The conservation easement agreement, among other things, prohibits the construction or placing of any permanent structures in the easement area but permits bike/hike trails and utilities to be constructed and maintained. The following map generally depicts the location of the conservation easement within the boundaries of the Project Site:



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The Developer acquired the Project Site from an out of town property owner who had owned the property for nearly four decades. Concurrently with its acquisition of the Project Site, the Developer acquired an additional 44.08 acre parcel at the southwest corner of Interstate 435 and Highway 69 which is sometimes referred to as the north parcel. The north parcel is not included in the boundaries of the City Place CID and its development is not governed by the terms of the Development Agreement. The following aerial map depicts the location of the north parcel (the indicated area located north of College Boulevard) and the Project Site/City Place CID (the indicated area located south of College Boulevard).



A portion of the purchase price for the Project Site and the north parcel was provided from the proceeds of a mortgage loan \$10,530,000 mortgage loan (the “**Mortgage Loan**”) from Country Club Bank (the “**Mortgage Lender**”) to the Developer. The Mortgage Loan is secured by a mortgage on the Project Site and certain other collateral, including an Assignment of CID and TDD Proceeds and Security Agreement (the “**Mortgage Loan Collateral Assignment**”). The Mortgage Loan Collateral Assignment assigned any interest the Developer had in the proceeds of the Bonds to the Mortgage Lender and made no attempted assignment of the revenues from the CID Special Assessments. As a condition to the issuance of the Bonds, the City has required that the Mortgage Lender execute and deliver a subordination agreement relating to the Mortgage Loan Collateral Assignment pursuant to which the Mortgage Lender subordinate any interest it has in the proceeds of the Bonds to the City, including the rights of the City to reimburse itself for any costs incurred by the City in connection with the construction of the CID Improvements.

Environmental Assessment

UES Consulting Services, Inc., Kansas City, Missouri, issued a Phase I environment site assessment for the Project Site on September 18, 2013. The Phase I report indicates that Project Site has never been developed and that it was currently vacant land. The Phase I report contains the following statements with respect to the property:

- The assessment has determined that there are no recognized environmental conditions associated with the subject property.
- The assessment has determined that there are no historical recognized environmental conditions associated with the subject property.
- The assessment has determined that there are no *de minimis* conditions associated with the subject property.

Architect

The Developer engaged Hoefer Wysocki Architects, Kansas City, Missouri, and NSPJ Architects, Kansas City, Missouri, to assist in the design of the master plan for the Project.

Other Improvements

In connection with the development of the Project, the City has agreed to construct and pay for certain improvements to Switzer Road which will relocate a portion of the roadway from the eastern edge of the Project Site through the development and connect with 113th Street in a traffic roundabout before continuing north to a new intersection with College Boulevard just to the west of the current intersection (the “**Switzer Improvements**”). The current estimated costs of the Switzer Improvements (excluding financing costs) are \$8,219,225. The City has commenced design work for these improvements and anticipates a bid opening on February 6, 2015, followed by the issuance of a notice to proceed to the selected contractor in March, 2015 and completion of the improvements by the fall of 2015.

Status of Approvals

The Project Site will require replatting prior to the commencement of development work. As referenced under the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – CID Special Assessment Revenues**,” following the replatting purposes, the City will complete a spreading process to reallocate the CID Special Assessment to the replatted parcels.

In addition to the replatting process, the Developer will be required to complete and submit the final development plan for the Project Site and each development parcel and the related building plans and other information required to comply with the City’s permitting, planning and licensing requirements applicable to all development and building projects within the City.

Prior the issuance of the Bonds, the City has required that the following be executed and delivered:

(i) an executed subordination from the Mortgage Lender of any interest in the proceeds of the Bonds that could arise from the Mortgage Loan Collateral Assignment (see the caption “**The Developer**” above for additional information relating to the Mortgage Loan Collateral Assignment);

(ii) a Stormwater Treatment Facility Maintenance Agreement; and

(iii) a Stream Corridor Maintenance Agreement.

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PROJECTED CID SPECIAL ASSESSMENT REVENUES AND SCHEDULED DEBT SERVICE PAYMENTS

Based on the projected CID Special Assessment Revenues (including any available balance from prior periods) and the scheduled debt service payments on the Bonds, the excess funds available for debt service as of each Interest Payment Date is as follows:

Interest Payment Date	CID Special Assessment Revenues*, ¹	Total Bond Debt Service*, ²	Less: Funds Available for Debt Service*, ³	Net Bond Debt Service*	Excess in Debt Service Fund Following Payment of Debt Service*, ⁴
3/1/15	\$ 0.00	\$ 95,475.00	\$ 95,475.00	\$ 0.00	\$ 0.00
9/1/15	0.00	150,750.00	150,750.00	0.00	0.00
3/1/16	249,585.53	150,750.00	0.00	150,750.00	98,835.53
9/1/16	249,585.53	345,750.00	0.00	345,750.00	2,671.06
3/1/17	249,585.53	145,875.00	0.00	145,875.00	106,381.59
9/1/17	249,585.53	350,875.00	0.00	350,875.00	5,092.12
3/1/18	249,585.53	140,750.00	0.00	140,750.00	113,927.65
9/1/18	249,585.53	360,750.00	0.00	360,750.00	2,763.18
3/1/19	249,585.53	135,250.00	0.00	135,250.00	117,098.71
9/1/19	249,585.53	365,250.00	0.00	365,250.00	1,434.24
3/1/20	249,585.53	129,500.00	0.00	129,500.00	121,519.77
9/1/20	249,585.53	369,500.00	0.00	369,500.00	1,605.30
3/1/21	249,585.53	123,500.00	0.00	123,500.00	127,690.83
9/1/21	249,585.53	373,500.00	0.00	373,500.00	3,776.36
3/1/22	249,585.53	117,250.00	0.00	117,250.00	136,111.89
9/1/22	249,585.53	382,250.00	0.00	382,250.00	3,447.42
3/1/23	249,585.53	110,625.00	0.00	110,625.00	142,407.95
9/1/23	249,585.53	385,625.00	0.00	385,625.00	6,368.48
3/1/24	249,585.53	103,750.00	0.00	103,750.00	152,204.01
9/1/24	249,585.53	393,750.00	0.00	393,750.00	8,039.54
3/1/25	249,585.53	96,500.00	0.00	96,500.00	161,125.07
9/1/25	249,585.53	401,500.00	0.00	401,500.00	9,210.60
3/1/26	249,585.53	88,875.00	0.00	88,875.00	169,921.13
9/1/26	249,585.53	408,875.00	0.00	408,875.00	10,631.66
3/1/27	249,585.53	80,875.00	0.00	80,875.00	179,342.19
9/1/27	249,585.53	420,875.00	0.00	420,875.00	8,052.72
3/1/28	249,585.53	72,375.00	0.00	72,375.00	185,263.25
9/1/28	249,585.53	427,375.00	0.00	427,375.00	7,473.78
3/1/29	249,585.53	63,500.00	0.00	63,500.00	193,559.31
9/1/29	249,585.53	438,500.00	0.00	438,500.00	4,644.84
3/1/30	249,585.53	54,125.00	0.00	54,125.00	200,105.37
9/1/30	249,585.53	449,125.00	0.00	449,125.00	565.90
3/1/31	249,585.53	44,250.00	0.00	44,250.00	205,901.43
9/1/31	249,585.53	454,250.00	0.00	454,250.00	1,236.96
3/1/32	249,585.53	34,000.00	0.00	34,000.00	216,822.49
9/1/32	249,585.53	459,000.00	0.00	459,000.00	7,408.02
3/1/33	249,585.53	23,375.00	0.00	23,375.00	233,618.55
9/1/33	249,585.53	478,375.00	0.00	478,375.00	4,829.08
3/1/34	249,585.53	12,000.00	0.00	12,000.00	242,414.61
9/1/34	249,585.53	492,000.00	504,000.00	(12,000.00)	504,000.14

* Preliminary; subject to change.

¹ CID Special Assessments due on the preceding due date for real estate taxes and special assessments (*i.e.*, December 20th with respect to each March 1st Interest Payment Date and May 10th with respect to each September 1st Interest Payment Date) and assumes that property owners will pay one-half of the annual assessment by each payment date. CID Special Assessments will be reduced in the event that the final costs are less than the amount of the maximum amount of assessments which would result in a special mandatory redemption of Bonds from funds remaining in the Construction Account (see the caption “**THE BONDS – Redemption Prior to Maturity – Special Mandatory Redemption**” in this Private Placement Memorandum).

² Consists of total debt service on the Bonds on the Interest Payment Date, including mandatory sinking fund redemptions (see the caption “**THE BONDS – Redemption Prior to Maturity – Mandatory Sinking Fund Redemption**” in this Preliminary Private Placement Memorandum).

³ Funds available for debt service include bond proceeds deposited into the Capitalized Interest Subaccount as capitalized interest, which pays interest on the Bonds through September 1, 2015 and funds available from the Debt Service Reserve Fund.

⁴ Consists of CID Special Assessment Revenues in all prior periods less scheduled debt service payments on the Bonds (including mandatory sinking fund redemptions) in all prior periods. Such funds are expected to be available to pay scheduled debt service on the following Interest Payment Date.

THE CITY

The City of Overland Park was incorporated as a first-class city on May 10, 1960. The Mayor is elected by the City at-large and two council members are elected from each of six wards. All elected officials serve terms of four years, with biennial nonpartisan elections to allow for council members to serve staggered terms. The City has the Mayor-Council-City Manager form of government. The City Manager is responsible for the implementation of governing body policy and the day-to-day operation of the City.

Located in the northeastern part of Johnson County, the largest county in the State, the City is the second largest city in the State of Kansas and one of 120 incorporated cities existing in the Kansas City metropolitan region. The City encompasses approximately 75.4 square miles of land and has an estimated 2014 population of 184,706.

Selected socioeconomic data for the City is set forth in **Appendix E** to this Private Placement Memorandum.

The Bonds are not a general obligation of the City and are payable solely from the Trust Estate (comprised principally of the CID Special Assessment Revenues) as set forth in the Indenture and as described in this Private Placement Memorandum. The information regarding the City contained in Appendix E should not be construed as an indication that the Bonds are payable from any source other than such revenues as described in this Private Placement Memorandum. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in this Private Placement Memorandum.

INVESTMENT CONSIDERATIONS AND RISKS

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

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

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

Limited Offering; Restrictions on Transfer

The Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “**Securities Act**”), in reliance upon exemption therefrom. Accordingly, the Bonds are being offered solely on a private placement basis to certain accredited investors or qualified institutional buyers. Neither the Bonds nor any beneficial interest therein may be resold or transferred by any purchaser, except under the conditions

described under the captions “**THE BONDS - Registration, Transfer and Exchange**” and “**NOTICE TO INVESTORS**” in this Private Placement Memorandum.

Suitability of Investment

An investment in the Bonds involves a substantial degree of risk. The interest rate borne by the Bonds (as compared to prevailing interest rates on more secure tax exempt bonds such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax-exempt feature of the Bonds is obviously of more value to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with his or her applicable individual tax rate. Each prospective investor should carefully examine this Private Placement Memorandum, including the appendices hereto, and consider their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment, and determine whether or not the Bonds are an appropriate investment.

Limited Sources of Debt Service

The Bonds are limited obligations of the City, payable solely and only from the CID Special Assessment Revenues and certain moneys on deposit under the Indenture, and are secured by a pledge of the same to the Trustee in favor of the Bondowners, as provided in the Indenture. The Bond proceeds will be used to pay the CID Improvements Costs. No assurance can be given that CID Special Assessment Revenues will be realized by the City in amounts sufficient to pay the principal of and interest on the Bonds as such obligations become due. **The Bonds and the interest thereon are not a debt or general obligation of the City or the State of Kansas and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.**

Limited Collateral; No Pledge of the Project

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

Redemption of Bonds; CID Special Assessment Prepayments

The Bonds are subject to optional and mandatory redemption prior to maturity upon the occurrence of certain events, including the prepayment of CID Special Assessments by a property owner. In the event of a prepayment of CID Special Assessments, a portion of the Bonds may become subject to redemption prior to maturity as described under the caption “**THE BONDS – Redemption Prior to Maturity – Special Mandatory Redemption**” in this Private Placement Memorandum. If the Bonds are redeemed prior to their maturity, the Bondowners thereof will not receive the rate of interest indicated for the term of their initial investment, and, if so redeemed, such Bondowners may not be able to reinvest the proceeds thereof at comparable rates.

Special Risk Factors Relating to Reliance on Special Assessments Only

Concentration of Ownership

All of the land within the City Place CID will be initially owned by the Developer. The Developer intends to develop the land within the District as a mixed use development known as City Place as further

described under the caption “**CITY PLACE PROJECT**” in this Private Placement Memorandum. In connection with that development, the Developer may sell all or part of the land within the City Place CID; however, there are no guarantees that the Developer will be able to sell any of such property. The payment of the CID Special Assessments is dependent upon the willingness and ability of the Developer, or any successor holding title to land within the City Place CID, to pay such CID Special Assessments. This concentration in the obligation to pay CID Special Assessments in one entity, or in a limited number of entities, presents a significant risk to Bondowners. Failure of the Developer or owners of the property within the City Place CID to pay the annual CID Special Assessments when due could result in the rapid, total depletion of the Debt Service Reserve Fund prior to replenishment from the CID Special Assessments, the tax sale of property or otherwise. In that event, there could be a default in payments of the principal of, and interest on, the Bonds.

Failure to Develop Properties; Government Approvals

Land development is subject to comprehensive federal, State and local regulations. Approval is required from various entities in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, as well as numerous other matters. Failure to obtain any such approvals or satisfy such governmental requirements could adversely affect planned land development. See the caption “**CITY PLACE PROJECT — Status of Approvals**” in this Private Placement Memorandum.

Development of land is also subject to economic considerations. The failure to complete development of the required infrastructure in the Project or substantial delays in the completion of the development or the required infrastructure for the development due to litigation, the inability to obtain required funding or other causes may reduce the value of the property within the City Place CID and increase the likelihood that the Developer or any successor holding title to land within the City Place CID would fail to pay the CID Special Assessments when due, which may result in a default in payments of the principal of, and interest on, the Bonds.

Land Development Costs

In addition to the financing for CID Improvements portion of the overall Project through the issuance of the Bonds, the Developer and any successor property owners will likely seek to obtain private financing for a portion of the costs relating to the land acquisition, development and construction of the Project. Although the Developer has financed land acquisition, there can be no assurances that the Developer or any successor property owner will successfully obtain such additional private financing or be able to secure additional financing to complete the Project. The failure to secure such financing could prevent the completion of the Project limiting the Developer or any successor property owner’s ability to pay the CID Special Assessment and, as a result, could cause a default in payment of the principal of and interest on the Bonds.

Special Assessment Delinquencies

In order to pay debt service on the Bonds, it is necessary that the CID Special Assessments be paid in a timely manner. The CID Special Assessments, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are billed to the owners of properties within the City Place CID by the County. Such CID Special Assessment installments are due and payable at the same time as regular ad valorem property tax installments. The unwillingness or inability of a property owner to pay regular ad valorem property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make CID Special Assessment installment payments. If the Developer or any future property owners fail to pay the CID Special Assessments when due there could be significant CID Special Assessment delinquencies. See the subcaption “Concentration of Ownership” above.

Each property owner is only obligated to pay the CID Special Assessments applicable to such owner's properties. In the event that a property owner fails to pay the CID Special Assessments applicable to such owner's property, none of the other property owners within the City Place CID have any obligation to pay the delinquent CID Special Assessments.

The County has interpreted that both ad valorem taxes and special assessments must be delinquent in order for it to initiate a delinquent tax sale and subsequent foreclosure action. At present, however, the County does not accept partial payments of real estate taxes and special assessments, when due, and rejects payment of less than the total amount then due for the combined payment of both real estate taxes and special assessments. As a result, as long as the County continues this policy, the circumstances could not arise where a taxpayer is delinquent on payment of CID Special Assessments and current on ad valorem taxes, and the County would always be able to initiate a delinquent tax sale in the event of any delinquent CID Special Assessments. The County, however, is authorized under State law to accept partial payment of delinquent real estate taxes, including special assessments, in accordance with payment guidelines that could be established by the County Treasurer. There is no assurance that the County, in the future, will not change its present practice of rejecting partial payments of the total amount then due for the combined payment of both real estate and special assessments, including the CID Special Assessments. If the County were to adopt such payment guidelines and permits partial payment of real estate taxes, including special assessments, there is no history to determine whether the County would interpret its obligations under State law to subject the property related to such delinquent special assessments to a delinquent tax sale if the Developer, or any subsequent owner of property within the City Place CID, paid a sum sufficient to pay all real estate taxes other than the CID Special Assessments, when due. Failure by the County to subject such property within the City Place CID to a delinquent tax sale and to subsequent foreclosure action could have a material adverse affect on the ability to pay the principal of, and interest on the Bonds.

In addition, in the event that tax sales of property and subsequent foreclosure actions are necessary, if the Debt Service Reserve Fund is depleted, there could be a delay or reduction in payments to Bondowners pending such actions and receipt by the City of the proceeds resulting from foreclosure on such property.

See the caption "**LEVY, ABATEMENT AND COLLECTION OF SPECIAL ASSESSMENTS**" in this Private Placement Memorandum, for a discussion of the provisions which apply, and procedures which the County is obligated by law to follow in the event of delinquencies in the payment of CID Special Assessments. See the subcaptions "Potential Delay and Limitations of Tax Sales" and "Bankruptcy" below, for a discussion of limitations on the ability to recover delinquent CID Special Assessments from foreclosure actions.

County Mandated Sale In Lieu of Foreclosure

The County has the authority to sell any land within the City Place CID that would otherwise be subject to a foreclosure and sale by the County as a result of failure by the Developer or any subsequent owner to pay any CID Special Assessments, when due. In this case, the County has the option to abate any delinquent ad valorem property taxes and delinquent special assessments. Although there is no expectation that the County will choose this alternative to a foreclosure action in order to satisfy payment of delinquent CID Special Assessments or other delinquent real estate taxes on the real property within the City Place CID, such an action by the County would materially adversely affect the availability of CID Special Assessments to pay the principal of or interest on the Bonds.

Potential Delay and Limitations of Foreclosure Actions

The payment of property taxes by property owners and the ability to recover delinquent unpaid CID Special Assessments may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. See the caption "**LEVY, ABATEMENT AND COLLECTION OF SPECIAL ASSESSMENTS**" in this Private Placement Memorandum and the subcaption "Bankruptcy" below.

Recovery of CID Special Assessments is subject to County's procedures for providing notice to record owners of the property of the pending tax sale. Procedures available to the County to seek enforcement of unpaid CID Special Assessments through sale and subsequent foreclosure proceedings could result in delay while the County seeks in a court to adjudicate the existence of the lien and to obtain a foreclosure decree authorizing the sale of such property. Potential investors should also be aware that during any period of time in which property offered for sale remains unsold, none of the delinquent CID Special Assessments will be paid.

The ability of the County to foreclose the lien of a delinquent unpaid CID Special Assessment payment may be limited with regard to properties in which the FDIC or any successor to the FDIC may acquire an interest. If a lender takes a security interest in the real property in the City Place CID and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC could assert federal preemptive power to challenge any prior taxes and special assessments where it is in its interest to do so, including the requirement that local agencies obtain the consent of the FDIC in order to foreclose the lien of delinquent unpaid special assessments.

If the County is required to obtain the consent of the FDIC to foreclose on real property located in the City Place CID, such consent could be denied, and the County might be unable to pursue foreclosure proceedings. Additionally, obtaining such consent could delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of the County to foreclose on real property in the City Place CID in which the FDIC has an interest could result in a delay or default in payment of the Bonds.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the City.

Delays and uncertainties in recovering delinquent CID Special Assessments create significant risks for Bondowners. CID Special Assessment payment delinquencies that continue during the pendency of tax sale and foreclosure proceedings, could result in the rapid, total depletion of the Debt Service Reserve Fund prior to replenishment from the resale of such property. In that event, there could be a default in payments of the principal of, and interest on, the Bonds. See the subcaption "Concentration of Ownership" above.

Exempt or Non-Buildable Properties

If for any reason any of the property subject to the CID Special Assessments becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another entity that would be exempt from CID Special Assessments under then applicable law, the assessment method set forth in the applicable ordinances does not provide for the reallocation of CID Special Assessments among the remaining taxable properties within the City Place CID. If a portion of land within the City Place CID were to become exempt from CID Special Assessments because of public ownership, or otherwise, the amount of the CID Special Assessments which could be levied upon the remaining property might not be sufficient to pay principal of and interest on the Bonds, when due, and a default will occur with respect to the payment of such principal and interest.

In connection with the issuance of the Bonds, the Development Agreement is expected to be amended to prohibit the Developer from transferring title to property subject to CID Special Assessment to an exempt entity until the Bonds (or any refunding bonds) are no longer outstanding or CID Special Assessments for the parcel being transferred have been paid in full (either through scheduled annual payments or by prepayment) and that any transferees of the property subject to CID Special Assessments agree to the same restriction.

Bankruptcy

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause the CID Special Assessments to become extinguished, the amount and priority of any CID Special Assessment lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in completing a tax sale of the property. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax installments not being paid in full.

Debt Service Reserve Fund

A Debt Service Reserve Fund will be established for the Bonds. Proceeds of the Bonds in the amount of \$_____ will be deposited in the Debt Service Reserve Fund on the date of issuance of the Bonds (the "**Debt Service Reserve Requirement**"). Moneys in the Debt Service Reserve Fund may be invested in Permitted Investments. Moneys, including Permitted Investments, may be applied by the City to prevent default in payment of the principal of and interest on the Bonds in accordance with the Indenture in the event funds on hand in the Debt Service Fund are insufficient to provide funds for payments due on any Payment Date. In the event the City is required to sell such Permitted Investments for such purpose, the price realized upon such sale may not equal the Debt Service Reserve Requirement. There can be no assurance that the amounts on deposit in the Debt Service Reserve Fund will be available if needed for payment of the Bonds in the full amount of the Debt Service Reserve Requirement because (a) of fluctuations in the market value of the securities deposited therein and/or (b) if funds are transferred to the Debt Service Fund, sufficient revenues may not be available in the Revenue Fund to replenish the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

Redemption of Bonds

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

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

No Redemption of Bonds in the Event of Taxability

The Bonds are not subject to redemption prior to maturity upon the occurrence of an event which has the effect of rendering interest on the Bonds includable in the gross income of the Owners of the Bonds for purposes of federal income taxation. No provision is made in the Indenture for any increase or other adjustment in the rate of interest payable on the Bonds in the event of such an occurrence.

Amendments, Changes and Modifications to the Indenture

The Indenture can be amended, changed or modified with the written consent of less than 100% of the Owners (and in some cases without notice to or consent of any Owners), all as more fully described therein. See the form of the Indenture attached as **Appendix A** to this Private Placement Memorandum.

Taxation of Interest on the Bonds

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

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

Future Changes in the Law

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

Limitations on Remedies Available to Owners of the Bonds

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

General Economic Risks

The ability of property owners to make the payments of CID Special Assessments will be dependent upon the economic strength and vitality of such property owner, which in turn may be dependent upon the economic strength and vitality of the Project once it is constructed. The Project will be subject to all of the risks generally associated with mixed use real estate development projects. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. In addition, if there is a decline in the general economy of the area, the owner of the real property or their tenants may be less able or less willing to make timely payments of CID Special Assessments.

Lack of Rating and Market for the Bonds

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

Forward-Looking Statements

Certain statements included in or incorporated by reference in this Private Placement Memorandum that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the Developer’s current expectations, hopes, intentions or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. Such forward-looking statements include, among others, certain statements under this section captioned “**INVESTMENT CONSIDERATIONS AND RISKS.**”

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

FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRIVATE PLACEMENT MEMORANDUM WILL PROVE TO BE ACCURATE.

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

LITIGATION

The City

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

The Developer

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds by the City are subject to the approving legal opinion of Kutak Rock LLP, Kansas City, Missouri, Bond Counsel, whose approving opinion will be delivered with the Bonds. A copy of the proposed form of such opinion is attached as **Appendix B** to this Private Placement Memorandum. Certain legal matters will be passed upon for (i) the City by the City Attorney, (ii) the Developer by Polsinelli, PC, Kansas City, Missouri, and (iii) the Placement Agent by Bryan Cave LLP, Kansas City, Missouri.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of

professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

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

Opinion of Bond Counsel

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City, the Trustee and the Developer with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such covenants could cause 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 City, Trustee and Developer have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75 percent of the excess of such corporations' adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Bank Qualified. The City has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2014 (excluding certain private activity and refunding bonds) and that it has designed the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax

law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

ONGOING DISCLOSURE

City

The City is not entering into any agreement to provide ongoing disclosure in connection with the issuance of the Bonds.

Developer

In connection with the issuance of the Bonds, the Developer will enter into the Developer Disclosure Agreement pursuant to which the Developer will agree to provide certain ongoing disclosure information for the benefit of the Bondowners. The form of the Developer Disclosure Agreement is attached as **Appendix C** to this Private Placement Memorandum.

CERTAIN RELATIONSHIPS

Kutak Rock LLP, Bond Counsel, is representing the City in connection with the issuance of the Bonds and has represented the Placement Agent in transactions unrelated to the issuance of the Bonds, but is not representing the Placement Agent in connection with the issuance of the Bonds.

PRIVATE PLACEMENT OF BONDS

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

NOTICE TO INVESTORS

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

The Bonds may be transferred only in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof subject to transfer rights by a Bondowner whose Bonds have been reduced to a lower principal amount under certain conditions as set forth in the Indenture.

Notwithstanding any other provision of this Private Placement Memorandum, the Bonds may only be purchased or transferred to Approved Investors, and only upon the execution by the proposed purchaser or transferee of a letter in substantially the form attached as Appendix D this Private Placement Memorandum (also attached as Exhibit E to the Indenture, the form of which is attached as Appendix A to this Private Placement Memorandum), which letter shall be delivered to the Trustee.

“**Approved Investor**” means any investor that is a Qualified Institutional Buyer or an Accredited Investor. “**Qualified Institutional Buyer**” means a qualified institutional buyer as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities Act of 1933. “**Accredited Investor**” means an accredited investor as defined in Rule 501 of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933.

NO RATINGS

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

MISCELLANEOUS

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

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

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

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

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The information presented in this Private Placement Memorandum has been furnished by sources believed by the Placement Agent to be reliable. Neither the City nor any of its officials, officers, employees or representatives make any warranties or representations regarding either the accuracy or sufficiency of the material furnished by the Placement Agent. Neither the City nor any of its officials, officers, employees or representatives assumes any duties, responsibility or obligations with respect to the Bonds other than those imposed, either expressly or by fair implication, upon the City by the Indenture or the Development Agreement.

COLLEGE 69 ASSOCIATES, LLC, a Kansas limited liability company

By: BK Properties, LLC, a Kansas limited liability company, its member

By: _____

APPENDIX A
FORM OF THE INDENTURE

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APPENDIX A
FORM OF THE INDENTURE

TRUST INDENTURE

Dated as of [Closing Date]

Between

THE CITY OF OVERLAND PARK, KANSAS

and

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

Relating to:

**\$6,030,000
SPECIAL ASSESSMENT BONDS
SERIES 2014**

(CITY PLACE COMMUNITY IMPROVEMENT DISTRICT PROJECT)

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APPENDIX A – FORM OF THE INDENTURE

TRUST INDENTURE

THIS TRUST INDENTURE (the “Indenture”) made and entered into as of [Closing Date], between the **CITY OF OVERLAND PARK, KANSAS**, a municipal corporation and political subdivision duly organized and existing under the laws of Kansas (the “City”), and **SECURITY BANK OF KANSAS CITY**, a banking corporation duly organized and existing under the laws of the State of Kansas, having a principal corporate trust office located in Kansas City, Kansas, and being qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”);

RECITALS

1. The City of Overland Park, Kansas (the “City”), is a municipal corporation and a city of the first class, duly created, organized and existing under the laws of the State of Kansas.

2. The City has the authority to create a community improvement district, levy special assessments on real property within the community improvement district and issue community improvement district special assessment bonds for the purpose of financing projects within the community improvement district and certain contiguous infrastructure located outside such district, pursuant to the Community Improvement District Act, K.S.A. 12-6a26 *et seq.*, as amended (the “Act”).

3. Pursuant to Ordinance No. CID-3026, passed by the Governing Body of the City on February 17, 2014, as amended by Ordinance No. CID-3026, A passed by the Governing Body of the City on August 4, 2014, and Ordinance No. CID-3026, B passed by the Governing Body of the City on August 18, 2014, the City has created the City Place Community Improvement District (the “City Place CID”).

4. Pursuant to Ordinance No. ASMT-3055 passed by the Governing Body of the City on September 8, 2014, the City has levied special assessments against real property within the City Place CID at a maximum amount of \$6,030,000 and authorized interest on such assessment at an interest rate not exceeding 5.25% for the purpose of financing certain improvements benefiting real property within the City Place CID, as more particularly described in **Exhibit A** attached hereto (the “CID Improvements”).

5. The City has determined that it is in the best interests of the City to issue \$6,030,000 principal amount of Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project) (the “Bonds”) to finance the CID Improvements, fund a debt service reserve fund, fund capitalized interest and to pay costs of issuance of the Bonds.

6. On _____, 2014, the Governing Body of the City passed an ordinance (the “Bond Ordinance”), authorizing the issuance of the Bonds pursuant to this Indenture for the above purposes.

7. Pursuant to the Bond Ordinance, the City is authorized to execute and deliver this Indenture for the purpose of issuing and securing the Bonds as hereinafter provided.

APPENDIX A – FORM OF THE INDENTURE

GRANTING CLAUSES

To determine the terms and conditions upon which Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect and to secure the performance and observance of all the covenants, agreements and conditions contained in this Indenture and in the Bonds, and in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture, the purchase and acceptance of the Bonds by the Owners thereof, the City hereby transfers in trust, pledges and assigns to the Trustee, and hereby grants a security interest to the Trustee in the property described in paragraphs (a), (b) and (c) below (said property referred to herein as the “Trust Estate”):

(a) All CID Special Assessment Revenues as defined and identified herein;
and

(b) All moneys, investments and securities from time to time held by the Trustee under the terms of this Indenture (excluding amounts held in the Rebate Fund as defined herein); and

(c) All other property of every name and nature, from time to time hereafter by delivery or by writing mortgaged, pledged, delivered or hypothecated as and for additional security under this Indenture by the City or anyone on its behalf or with its written consent in favor of the Trustee.

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

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

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if the City or its successors or assigns shall well and truly pay or cause to be paid the principal of and premium, if any, on such Bonds with interest, according to the provisions set forth in the Bonds, or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions of **Article XII**, and shall also pay or cause to be paid all other sums payable hereunder by the City, then these presents and the estate and rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the City, shall duly execute, acknowledge and deliver to the City such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the City, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes, or any part thereof, not

APPENDIX A – FORM OF THE INDENTURE

previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

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

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Indenture, the following capitalized words and terms as used in this Indenture shall have the following meanings:

“Accredited Investor” means an accredited investor as defined in Rule 501 of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933.

“Act” means the Community Improvement District Act, K.S.A. 12–6a26 *et seq.*, as amended or supplemented from time to time.

“Administrative Expense Fund” means the fund by that name created by **Section 4.01** hereof.

“Administrative Expenses” means the Trustee’s fees and expenses including, but not limited to, the reasonable fees and expenses of the Trustee’s counsel and the fees and expenses of the Rebate Analyst; provided the Trustee has notified the City not less than five days in advance of any disbursement for such expenses.

“Administrative Office” means (a) with respect to the initial Trustee, for notice and administration purposes, initially, Security Bank of Kansas City, as Trustee, One Security Place, 701 Minnesota Avenue, Kansas City, Kansas 66101, Attention: Corporate Trust Department, and (b) with respect to any successor Trustee, its office for notice and administration purposes designated as such by the successor Trustee.

“Approved Investor” means any investor that is a Qualified Institutional Buyer or an Accredited Investor.

“Assessment Ordinance” means Ordinance No. ASMT-3055 passed by the governing Body of the City on September 8, 2014, and any amendment thereto required by the Act.

APPENDIX A – FORM OF THE INDENTURE

“Authorized Denominations” means \$100,000 or any integral multiple of \$5,000 in excess thereof, subject to transfer rights by a Bondowner which have been reduced to a lower principal amount as provided in **Section 2.04** hereof.

“Authorized Developer Representative” means the individual designated as such to act on behalf of the Developer as evidenced to the Trustee by a certificate, bearing such authorized officer’s signature and signed by an authorized officer of the Developer.

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

“Bond Counsel” means Kutak Rock LLP, or other firm of nationally recognized bond counsel.

“Bond Ordinance” means Ordinance No. _____ of the City authorizing the issuance of the Bonds.

“Bond Placement Agreement” means the Bond Placement Agreement among the City, the Developer and the Placement Agent with respect to the Bonds.

“Bond Register” means the books for the registration, transfer and exchange of the Bonds kept at the office of the Trustee.

“Bond Registrar” means the Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated pursuant to this Indenture or any Supplemental Indenture as bond registrar for the Bonds at which the principal of, redemption premium, if any, and interest on such Bonds shall be payable.

“Bonds” means the \$6,030,000 principal amount of Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project), issued pursuant to this Indenture.

“Business Day” means a day which is not (a) a Saturday or Sunday, (b) any other day on which banking institutions in New York, New York, or the city or cities in which the Administrative Office of the Trustee is located, are required or authorized to close or (c) a day on which the New York Stock Exchange or Federal Reserve Banks are closed.

“Capitalized Interest Subaccount” means the subaccount by that name created by **Section 4.01** hereof.

“CID Improvements” means the facilities and costs eligible to be paid under the Act, to be financed with the proceeds of the Bonds issued under the Act, as more particularly described

APPENDIX A – FORM OF THE INDENTURE

on **Exhibit A** and including costs of issuance, City Administrative Fee, funding of the Debt Service Reserve Fund and Capitalized Interest Subaccount.

“**CID Improvements Costs**” means costs permitted under the Act to be paid out of proceeds of the Bonds with respect to the CID Improvements.

“**CID Ordinance**” means Ordinance No. CID-3026, passed by the Governing Body of the City on February 17, 2014, as amended by Ordinance No. CID-3026, A passed by the Governing Body of the City on August 4, 2014, and Ordinance No. CID-3026, B passed by the Governing Body of the City on August 18, 2014, and any amendment thereto permitted by the City and this Indenture.

“**CID Special Assessment Prepayments**” means the amount of any CID Special Assessments paid prior to their due date pursuant to K.S.A. 10-115, and amendments.

“**CID Special Assessment Revenues**” means the revenues derived, received and collected within the City Place CID from the CID Special Assessments.

“**CID Special Assessments**” means the special assessments levied in the City Place CID and received by the City pursuant to Ordinance No. ASMT-3055 of the City passed on September 8, 2014, and any amendments thereto as required by the Act.

“**City**” means the City of Overland Park, Kansas.

“**City Administrative Fee**” means one percent (1%) of the par amount of the Bonds to be paid from the proceeds of the Bonds on the Issue Date.

“**City Place CID**” means City Place Community Improvement District created by the CID Ordinance.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder of the United States Department of the Treasury.

“**Construction Account**” means the account by that name created by **Section 4.01** hereof.

“**Costs of Issuance**” means issuance costs with respect to the Bonds described in the Code and any regulations thereunder, including but not limited to the following:

- (a) Placement Agent’s fees;
- (b) counsel fees (including Bond Counsel, counsel to the Placement Agent, if not paid for by the Placement Agent’s spread, fee or discount, as well as any other specialized counsel fees incurred in connection with the borrowing);
- (c) financial advisor fees of any financial advisor to the City incurred in connection with the issuance of the Bonds;

APPENDIX A – FORM OF THE INDENTURE

(d) trustee and paying agent fees;

(e) registration fees of the State Treasurer and fees of the Attorney General of the State related to authorizing the transcript related to the Bonds to be registered with the State; and

(e) fees and expenses of the City incurred in connection with the issuance of the Bonds.

“Costs of Issuance Subaccount” means the subaccount by that name created by **Section 4.01** hereof.

“Debt Service Account” means the account by that name created by **Section 4.01** hereof.

“Debt Service Requirements” means the aggregate principal and interest payments due at Maturity; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside exclusively for the payment thereof with the Trustee or other commercial bank or trust company located in the State and having full trust powers.

“Debt Service Reserve Fund” means the fund by that name created by **Section 4.01** hereof.

“Debt Service Reserve Requirement” means the amount of \$_____, representing the lesser of (i) Maximum Annual Debt Service on the Bonds, (ii) 125% of average annual debt service on the Bonds, and (iii) 10% of the stated principal amount of the Bonds.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Developer” means College 69 Associates, LLC, a Kansas limited liability company, and, to the extent permitted by the Development Agreement, its successors and assigns.

“Developer Nonperformance” means the Developer has failed to start or complete the construction of the CID Improvements and fails to cure the start or completion of construction of the CID Improvements in accordance with Section 4.02(g)(i) and (ii) of the Development Agreement.

“Development Agreement” means the Development Agreement dated March 7, 2014, by and among the City, the Developer, as amended by the First Amendment to City Place Development Agreement dated August 4, 2014, and the Second Amendment to City Place Development Agreement dated September 8, 2014, and as further amended and supplemented from time to time.

“Event of Default” shall have the meaning set forth in **Section 9.01** hereof.

APPENDIX A – FORM OF THE INDENTURE

“Financing Documents” means this Indenture, the Bonds, the Development Agreement, the Bond Placement Agreement, the Tax Compliance Agreement, and any and all other documents or instruments that evidence or are a part of the transactions referred to in this Indenture, the Development Agreement or contemplated by this Indenture, Development 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 twelve month period ending on December 31.

“Government Obligations” means the following:

(a) bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America; and

(b) evidences of direct ownership of a proportionate or individual interest in future interest or principal payments on specified direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian.

“Indenture” means this Trust Indenture as originally executed by the City and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of this Indenture.

“Interest Payment Date” means March 1 and September 1, of each year, commencing March 1, 2015.

“Issue Date” means [Closing Date].

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the stated maturity thereof or at a call for redemption or otherwise.

“Maximum Annual Debt Service” means, for purposes of the calculation of the Debt Service Reserve Requirement for the Bonds and as otherwise may be provided in the Indenture, the maximum amount of Debt Service Requirements as computed for the then current or any future Fiscal Year; provided that the Debt Service Requirements in the final Maturity of the Bonds shall be reduced by the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund, so long as the Debt Service Reserve Fund is maintained at the Debt Service Reserve Requirement for the Bonds.

APPENDIX A – FORM OF THE INDENTURE

“Opinion of Bond Counsel” means a written opinion of Kutak Rock LLP or any legal counsel acceptable to the City and the Trustee who shall be nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers.

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

“Outstanding” means, when used with respect to Bonds, as of any particular date, the Bonds theretofore issued and delivered under this Indenture, except:

- (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of **Section 12.01** hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered hereunder; and
- (d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in **Section 2.07** of this Indenture.

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

“Permitted Investments” means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the City’s moneys held in the funds and accounts referred to in **Section 6.01** and **Section 6.02** hereof:

- (a) Government Obligations;
- (b) bonds or other obligations of the State, or any political subdivision of the State, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state (including the Trustee and its affiliates), that are continuously and fully secured by any one or more of the securities described in clause (a) or (b) above and have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;

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(d) 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 Corporation;

(e) certificates of deposit, time deposits or other deposits, whether negotiable or non-negotiable, issued by any bank or trust company organized under the laws of the United States or any state (including the Trustee and its affiliates), provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a), (b) or (d), 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 or time deposits;

(f) money market mutual funds that are registered with the Securities and Exchange Commission meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940 and which invest in securities as are described above in (a), (b) or (d); and

(g) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State.

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

“Placement Agent” means UMB Bank, N.A., Kansas City, Missouri, as the placement agent for the Bonds.

“Principal Payment Date” means the maturity date or redemption date of any Bond.

“Qualified Institutional Buyer” means a qualified institutional buyer as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities Act of 1933.

“Rebate Analyst” means any firm engaged by the City to compute arbitrage rebate on the Bonds.

“Rebate Fund” means the fund by that name created by **Section 4.01** hereof.

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

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this Indenture.

APPENDIX A – FORM OF THE INDENTURE

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Indenture, including the applicable redemption premium, if any, but excluding installments of interest whose maturity is on or before the Redemption Date.

“Redemption Subaccount” means the subaccount by that name created by **Section 4.01** hereof.

“Registered Bondowner” or **“Bondowner”** or **“Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Responsible Officer” means, with respect to the Trustee, any officer or authorized representative in its corporate trust office or similar group administering the trusts hereunder or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Trustee because of such officer’s or authorized representative’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the fund by that name created by **Section 4.01** hereof.

“State” means the State of Kansas.

“State Treasurer” means the Treasurer of the State.

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

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

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

“Trustee” means Security Bank of Kansas City, Kansas City, Kansas, in its capacity as Trustee hereunder, and its successors 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 this Indenture.

“Value” as of any particular time of determination, means, (a) with respect to cash the face value thereof and (b) with respect to any investments, the lower of the cost of the investment or the market price of the investment on the date of valuation.

APPENDIX A – FORM OF THE INDENTURE

Section 1.02. Rules of Construction.

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

- (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.
- (b) Words importing the singular number shall include the plural and vice versa and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.
- (c) Terms used in an accounting context and not otherwise defined shall have the meaning ascribed to them by generally accepted principles generally accepted in the United States of America.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE BONDS

Section 2.01. Amount and Denomination of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The total principal amount of Bonds that may be issued under this Indenture is limited to \$6,030,000. The Bonds shall consist of fully registered bonds without coupons in Authorized Denominations, and shall be numbered from R-1 upward.

Section 2.02. Authorization of Bonds. There shall be issued under and secured by this Indenture one series of Bonds designated as: “Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project)” in the principal amount of \$6,030,000 (the “Bonds”), for the purpose providing funds to finance the CID Improvements Costs, fund the initial deposit to the Debt Service Reserve Fund, fund the Capitalized Interest Subaccount and pay certain Costs of Issuance of the Bonds and the City Administrative Fee.

APPENDIX A – FORM OF THE INDENTURE

The Bonds shall be dated the Issue Date, shall become due on September 1, 2034, in the amounts (subject to redemption and payment prior to their maturities as provided in **Article III** hereof) and shall bear interest at the rate per annum of _____% (computed on the basis of a 360-day year of twelve 30-day months). The Bonds shall bear interest at the rate specified herein from the later of the Issue Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner set forth in **Section 2.02** hereof, payable semiannually on each Interest Payment Date.

The Bonds shall be executed in the manner set forth herein and delivered to the Trustee for authentication but, prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee there shall be filed with the Trustee the following:

- (a) An original or copy, certified as true and correct by the City Clerk of the City, of the Bond Ordinance, the Assessment Ordinance and the CID Ordinance;
- (b) An original executed counterpart of the Indenture;
- (c) Copies of Financing Documents other than the Indenture;
- (d) An Opinion of Bond Counsel dated the Issue Date;
- (e) An Opinion of Counsel to the City dated the Issue Date;
- (f) An Opinion of Counsel to the Developer dated the Issue Date;
- (g) A request and authorization to the Trustee on behalf of the City, executed by an Authorized City Representative, to authenticate the Bonds and deliver said Bonds to the original purchasers of the Bonds upon the order of the Placement Agent and upon payment to the Trustee, for the account of the City, of the purchase price thereof by the Placement Agent. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the names of the purchasers and the amount of such purchase price;
- (h) An Investor Letter executed by each original purchaser of the Bonds, substantially in the form attached hereto as **Exhibit E**, as required by **Section 2.04** hereof; and
- (i) Such other certificates, statements, receipts and documents as shall reasonably be required by the Financing Documents for the delivery of the Bonds, or as shall be reasonably required by the Trustee or Bond Counsel.

When the documents specified above shall have been filed with the Trustee, and when the Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Bonds upon the order of the Placement Agent, but only upon payment to the Trustee of the purchase price of the Bonds by the Placement Agent as set forth in the request and authorization of the City. The proceeds of the sale of the Bonds shall be immediately paid over and applied as provided in this Indenture.

APPENDIX A – FORM OF THE INDENTURE

Section 2.03. Method and Place of Payment of the Bonds. The principal of, or Redemption Price and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal of, Redemption Price or interest payable on each Bond on any Interest Payment Date or Maturity shall be paid to the Bondowner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Trustee to the address of such Bondowner shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondowner, or (b) in the case of any payment to any Bondowner of \$1,000,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Bondowner upon written notice given to the Trustee by such Bondowner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Bondowner wishes to have such transfer directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Bondowner of such Bond on the relevant Record Date and shall be payable to the Bondowner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Trustee) and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Following receipt of such funds the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Trustee shall promptly notify the City of such Special Record Date and, in the name of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first-class mail, postage prepaid, to each Bondowner of a Bond entitled to such notice at the address of such Bondowner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Trustee shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the City.

Section 2.04. Registration, Transfer and Exchange of Bonds. The Trustee shall cause to be kept at its principal corporate trust office the Bond Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided. The Trustee is hereby appointed “Bond Registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided.

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Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed thereto or imprinted thereon. The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers. Bonds may be transferred or exchanged only upon the Bond Register maintained by the Trustee as provided in this Section.

The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Trustee for authentication.

The Bonds shall be sold and subsequently transferred only to purchasers who constitute Approved Investors. In addition, any purchaser or transferee of any Bonds must deliver, or cause to be delivered to the Trustee, a duly executed investor's letter substantially in the form set forth in **Exhibit E** to this Indenture. The Trustee shall be entitled to rely, without any further inquiry, on any investor's letter delivered to it and shall be fully protected in registering any sale of the Bonds or transfer or exchanges of any Bonds in reliance on any such investor's letter which appears on its face to be correct and of which a Responsible Officer of the Trustee has no actual knowledge otherwise.

Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Trustee, the City shall execute and following registration by the State Treasurer, the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Maturity, of any Authorized Denominations and of a like aggregate principal amount. Provided, however, that a Bond may be transferred or exchanged in a principal amount lower than an Authorized Denomination provided that such Bond was originally in an Authorized Denomination, the principal amount of such Bond was reduced to a principal amount lower than an Authorized Denomination because of mandatory redemptions pursuant to **Section 3.03(a)** or **Section 3.04** hereof, and the transferee acquires the full principal amount of the Outstanding Bond.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal corporate trust office of the Trustee, the Trustee shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange.

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Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Trustee, duly executed by the Bondowner thereof or by the Bondowner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Trustee, are the responsibility of the Bondowners of the Bonds. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may make a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the Bonds.

The City and the Trustee shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Trustee pursuant to **Section 3.06** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 2.03** hereof.

The City and the Trustee may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute Bondowner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Bondowner or upon the Bondowner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary.

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

Section 2.05. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be executed for and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be affixed thereto or imprinted thereon. The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the City Clerk, which registration shall be evidenced by the manual or facsimile signature of the City Clerk with the seal of the City affixed thereto or imprinted thereon. The Bonds shall also be registered in the office of the State Treasurer, which registration shall be evidenced by the manual or facsimile signature of the State

APPENDIX A – FORM OF THE INDENTURE

Treasurer with the seal of the State Treasurer affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Trustee for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form attached hereto as **Exhibit B** hereof, which shall be manually executed by an authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Indenture or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Trustee. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. Upon authentication, the Trustee shall deliver the Bonds to the purchaser upon instructions of the City or its representative.

Section 2.06. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Trustee or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Trustee such security or indemnity as may be required by each of them, then, in the absence of notice to the City or the Trustee that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Trustee, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Trustee or City may require the payment by the Bondowner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Indenture equally and ratably with all other Outstanding Bonds.

Section 2.07. Cancellation and Destruction of Bonds upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Trustee, either at or before Maturity, shall be cancelled by the Trustee immediately upon the payment, redemption

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and surrender thereof to the Trustee and subsequently destroyed in accordance with the customary practices of the Trustee.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption of Bonds Generally. The Bonds are subject to redemption prior to Maturity in accordance with their terms and the terms and provisions set forth in this **Article III**.

Section 3.02. Optional Redemption of Bonds. The Bonds are subject to redemption and payment prior to Maturity, at the option of the City, on and after September 1, 2022, in whole or in part (selection of maturities and the amount of Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) on any date in Authorized Denominations, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Any provision in this Indenture to the contrary notwithstanding, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, the notice of redemption pursuant to this **Section 3.02** shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds, and such notice and optional redemption shall be of no effect if by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds are not on deposit with and available to the Trustee.

Section 3.03. Special Mandatory Redemption of Bonds.

(a) The Bonds shall be subject to special mandatory redemption and payment prior to stated maturity, in whole or in part, on the earliest practicable date(s), at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date thereof from funds transferred or deposited into the Redemption Subaccount of the Debt Service Account pursuant to **Section 4.03(c)** or **Section 4.04(a)(vi)** hereof.

(b) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the Debt Service Account and the Redemption Subaccount of the Debt Service Account and the Debt Service Reserve Fund are sufficient to redeem all of the Bonds, at a Redemption Price of 100% of the Bonds Outstanding, together with accrued interest thereon to the Redemption Date.

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Section 3.04. Mandatory Sinking Fund Redemption of Bonds. The Bonds are subject to mandatory sinking fund redemption, in part, on September 1 in each of the years and in the principal amounts set forth below, at a Redemption Price of 100% of the principal amount of the Bonds to be redeemed plus interest accrued to the Redemption Date:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016		2026	
2017		2027	
2018		2028	
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034*	
2025			

*Final Maturity

Section 3.05. Selection by Trustee of Bonds to be Redeemed. The Bonds may be redeemed only in Authorized Denominations; provided that the Bonds to be redeemed pursuant to **Section 3.03(a)** and **Section 3.04** hereof shall be redeemed in increments of \$5,000.

If less than all the Bonds of any Maturity are to be redeemed, the particular Bonds to be redeemed by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions equal to minimum Authorized Denominations; provided that Bonds to be redeemed pursuant to **Section 3.03(a)** and **Section 3.04** hereof shall be redeemed in increments of \$5,000. A credit against the principal amount of Bonds to be redeemed pursuant to **Section 3.04** hereof shall apply in inverse order of the mandatory sinking fund redemption dates to the extent any portion of the Bonds are redeemed pursuant to **Section 3.02** or **Section 3.03(a)** hereof.

Nothing contained herein shall prohibit the reduction of the principal amount of a Bond to a principal amount less than an Authorized Denomination as a result of mandatory redemptions pursuant to **Section 3.03(a)** and **Section 3.04** hereof provided that the original principal amount of such Bond was in an Authorized Denomination.

The Trustee shall promptly notify the City in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 3.06. Notice and Effect of Call for Redemption. If the City shall call any Bonds for redemption and payment prior to the Maturity thereof pursuant to **Section 3.02** hereof, the City shall provide written notice to the Trustee no later than 45 days prior the Redemption Date (unless a shorter period is acceptable to the Trustee) instructing the Trustee to give written notice of redemption to the Bondowners and the State Treasurer. On the earliest practical date following the deposit of moneys described in **Section 3.03(a)** or **(b)** hereof, the Trustee shall

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proceed to call the principal amount of the Bonds indicated above for redemption and give written notice of such call with no further instructions from the City. On or before the 30th day prior to each such sinking fund redemption date set forth in **Section 3.04** hereof, the Trustee shall proceed to call the principal amount of the Bonds indicated above for redemption on the next September 1 and give written notice of such call to the Bondowners and State Treasurer with no further instructions from the City. Each of said written notices of redemption to Bondowners and State Treasurer shall be deposited in the United States first-class mail not less than 30 days and not more than 60 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Trustee.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Trustee receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Trustee shall not redeem such Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Bondowner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

At or prior to any Redemption Date, moneys shall be deposited with the Trustee in an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

Provided moneys have been deposited with the Trustee in an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date and notice of redemption has been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the

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Redemption Price therein specified, and from and after the Redemption Date such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Trustee. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Bondowner a new Bond or Bonds of the same Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Trustee as provided herein and shall not be reissued.

Section 3.07. Payments Due on Saturdays, Sundays and Holidays. In any case where an Interest Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Interest Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, and no interest shall accrue for the period after such Interest Payment Date.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 4.01. Creation of Funds and Accounts. There are hereby created and ordered to be established with the Trustee the following separate funds and accounts, which funds and accounts shall be held in the custody of the Trustee pursuant to this Indenture:

(a) City of Overland Park, Kansas – City Place CID Revenue Fund (the “Revenue Fund”), and within such fund the following accounts:

(i) City of Overland Park, Kansas – City Place CID Construction Account (the “Construction Account”) and within such account the following separate subaccount:

(A) City of Overland Park, Kansas – City Place CID Costs of Issuance Subaccount (the “Costs of Issuance Subaccount”).

(ii) City of Overland Park, Kansas – City Place CID Debt Service Account (the “Debt Service Account”), and within such account the following separate subaccounts:

(A) City of Overland Park, Kansas – City Place CID Redemption Interest Subaccount (the “Redemption Subaccount”)

(B) City of Overland Park, Kansas – City Place CID Capitalized Interest Subaccount (the “Capitalized Interest Subaccount”)

(iii) City of Overland Park, Kansas – City Place CID Debt Service Reserve Fund (the “Debt Service Reserve Fund”).

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(b) City of Overland Park, Kansas – City Place CID Rebate Fund (the “Rebate Fund”).

(c) City of Overland Park, Kansas – City Place CID Administrative Expense Fund (the “Administrative Expense Fund”).

Said funds and accounts shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the Trustee and shall not be commingled with any other moneys, revenues, funds and accounts of the Trustee. The funds and accounts referred to above shall be maintained and administered in the manner provided in this Indenture so long as any of the Bonds remain Outstanding hereunder.

Section 4.02. Deposit of Bond Proceeds. The City shall deposit with the Trustee all of the net proceeds of the Bonds in the amount of \$_____, and the Trustee shall deposit and apply such proceeds, together with other moneys deposited with the Trustee, as follows:

(a) Accrued interest, if any, received from the sale of the Bonds shall be deposited in the Capitalized Interest Subaccount;

(b) In addition to any amount deposited in the Capitalized Interest Subaccount pursuant to **Section 4.02(a)**, the sum of \$_____ shall be deposited in the Capitalized Interest Subaccount;

(c) The sum of \$_____ shall be deposited in the Costs of Issuance Subaccount;

(d) A sum equal to the City Administrative Fee shall be paid to the City;

(e) A sum equal to the Debt Service Reserve Requirement for the Bonds shall be deposited in the Debt Service Reserve Fund; and

(f) The balance of the proceeds of the Bonds shall be deposited in the Construction Account.

Section 4.03. Application of Moneys in the Construction Account, including the Costs of Issuance Subaccount.

(a) The Trustee shall deposit and credit to the Construction Account or, if specified, to the Costs of Issuance Subaccount therein, as and when received:

(i) To the Construction Account, the amounts required to be deposited therein under **Section 4.02** hereof; and

(ii) To the Construction Account or Costs of Issuance Subaccount, as applicable, interest earnings and other income on Permitted Investments required to be deposited therein pursuant to **Section 6.02** hereof.

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(b) Moneys in the Construction Account shall be used solely for the purpose of paying the CID Improvements Costs as herein provided, in accordance with the plans and specifications therefor, including any alterations in or amendments to said plans and specifications approved in accordance with the Development Agreement.

Except as otherwise provided herein, the Trustee shall disburse moneys on deposit in the Construction Account from time to time to pay or reimburse payment made for the CID Improvements Costs, within three Business Days after receipt by the Trustee of written disbursement requests of the Developer properly completed in all respects and in substantially the form of **Exhibit D-1** hereto, signed by the Authorized Developer Representative and approved by the Authorized City Representative. Notwithstanding the preceding sentence, if the City provides written notice to the Trustee that Developer Nonperformance has occurred and that the City had elected to complete construction of the CID Improvements, the Trustee shall cease making any disbursements from the Construction Account to the Developer and shall only pay or reimburse payment made for the CID Improvements Costs to the City, in each case within three Business Days after receipt by the Trustee of written disbursement requests of the City properly completed in all respects and in substantially the form of **Exhibit D-2** hereto, signed by the Authorized City Representative.

Trustee shall disburse moneys on deposit in the Costs of Issuance Subaccount within the Construction Account from time to time to pay or as reimbursement for payment made for the Costs of Issuance, in each case within three Business Days after receipt by the Trustee of written disbursement requests of the City properly completed in all respects and in substantially the form of **Exhibit C** hereto, signed by the Authorized City Representative.

In making payments pursuant to this Section, the Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to make any independent investigation in connection therewith. If for any reason the City or the Developer should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment. The Trustee shall keep and maintain adequate records pertaining to the Construction Account including the Costs of Issuance Subaccount and all disbursements therefrom, and shall file periodic statements of activity regarding the Construction Account including the Costs of Issuance Subaccount with the City.

(c) If funds remain in the Construction Account after: (i) completion of the CID Improvements, (ii) reasonable investigation by the City that all costs payable from the Construction Account have been paid and (iii) the transfer of all rebatable earnings to the Rebate Fund pursuant to **Section 4.05** hereof, the City shall provide written notice to the Trustee to deposit any remaining balance in the Construction Account (i) first to the Debt Service Reserve Fund to the extent necessary to attain the amount required to be on deposit therein as of the date of such deposit; and (ii) next to the Redemption Subaccount to redeem Bonds at the earliest permissible date under **Section 3.03(a)** of this Indenture.

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Section 4.04. Application of Moneys in the Debt Service Account, including the Capitalized Interest Subaccount and Redemption Subaccount

(a) The Trustee shall make deposits and credits to the Debt Service Account or, if specified, to the Capitalized Interest Subaccount or Redemption Subaccount, as and when received, as follows:

(i) To the Capitalized Interest Subaccount, the amounts required to be deposited therein by **Sections 4.02(a)** and **(b)**;

(ii) To the Debt Service Account, all CID Special Assessment Revenue received from the Revenue Fund pursuant to **Section 5.01** hereof other than the amount of CID Special Assessment Prepayments required to be deposited in the Redemption Subaccount pursuant to **Section 4.04(a)(vi)** hereof;

(iii) To the Redemption Subaccount, any amount required to be transferred from the Construction Account to the Redemption Subaccount upon completion of the CID Improvements pursuant to **Section 4.03(c)** hereof;

(iv) To the Debt Service Account, the amounts to be transferred thereto from the Capitalized Interest Subaccount after September 1, 2015, pursuant to **Section 4.04(b)** hereof;

(v) To the Debt Service Account, the Redemption Subaccount or the Cost of Issuance Subaccount, as applicable, interest earnings and other income on Permitted Investments required to be deposited therein pursuant to **Section 6.02** hereof;

(vi) To the Redemption Subaccount, CID Special Assessment Prepayments received from the Revenue Fund pursuant to **Section 5.01** hereof to be deposited into the Redemption Subaccount excluding amounts required to make any scheduled payment of principal of or interest on the Bonds prior to the date redemption notice can be provided to Bondowners of a mandatory redemption of Bonds pursuant to **Section 3.03(a)**;

(vii) To the Debt Service Account, amounts under \$5,000 remaining in the Redemption Subaccount after the special mandatory redemption of Bonds pursuant to **Section 3.03(a)**; and

(viii) all other moneys received by the Trustee with direction from the City to deposit the same into the Debt Service Account or any subaccount therein.

(b) The moneys in the Debt Service Account shall be held in trust and shall be applied solely in accordance with the provisions of this Indenture to pay the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable. Except as otherwise provided herein or in the Tax Compliance Agreement, moneys in the Debt Service Account shall be expended solely as follows: (a) first, to pay interest on the Bonds as the same becomes due; (b) second, to pay principal of the Bonds as the same mature or become due and upon mandatory redemption thereof; and (c) third, to pay principal of and interest on the Bonds as the same become due upon optional redemption prior to Maturity. Moneys in the

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Capitalized Interest Subaccount shall be used to pay interest on the Bonds through September 1, 2015. The Capitalized Interest Subaccount shall be closed after September 1, 2015, and any moneys remaining on deposit in the Capitalized Interest Subaccount after September 1, 2015, shall be transferred to the Debt Service Account.

(c) The City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Account, including, as specified herein from the Capitalized Interest Subaccount, 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 the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

(d) The Trustee shall make any transfers from the Revenue Fund and Debt Service Account, including the Capitalized Interest Subaccount and Redemption Subaccount, to the Rebate Fund to the extent required to do so by the Tax Compliance Agreement.

(e) 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 this Bond Indenture), all arbitrage rebate to the United States and the fees, charges and expenses of the Trustee, any Paying Agent and the City, and any other amounts required to be paid under this Indenture, all amounts remaining in the Debt Service Account shall be paid to the City to be used in accordance with the Act.

Section 4.05. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Compliance Agreement), for payment to the United States of America, and neither the City, the Trustee nor the Bondowner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Tax Compliance Agreement.

(b) The City shall cause the amount of any arbitrage rebate under Section 148(f) of the Code in accordance with the Tax Compliance Agreement to be determined, and the Trustee shall make payments to the United States of America at the times and in the amounts determined under the Tax Compliance Agreement. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any required rebate amount, or provision made therefor, shall be used first to pay any Administrative Expenses and then paid to the City.

(c) Notwithstanding any other provision of this Indenture, including in particular **Article XII** hereof, the obligation to pay 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.

Section 4.06. Application of Moneys in the Debt Service Reserve Fund. The Debt Service Reserve Fund shall be maintained in an amount equal to the Debt Service Reserve

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Requirement for the Bonds. The Trustee shall deposit and credit to the Debt Service Reserve Fund, as and when received, as follows:

- (a) the deposit required by **Section 4.02** hereof;
- (b) the amounts required to be deposited by **Section 4.03** hereof; and
- (c) all other moneys received by the Trustee, when accompanied by directions from the City that such moneys are to be paid into the Debt Service Reserve Fund.

Except as otherwise provided herein, moneys in the Debt Service Reserve Fund shall be disbursed and expended by the Trustee solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds if sufficient moneys therefor are not available, in the Debt Service Account and (with respect to interest only) in the Capitalized Interest Subaccount. In the event the balance of moneys in the Debt Service Account and Capitalized Interest Subaccount (with respect to interest only) are insufficient to pay principal of, and interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund shall be transferred into the Debt Service Account and Capitalized Interest Subaccount (with respect to interest only) in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys on deposit in the Debt Service Reserve Fund may be used to pay the final Debt Service Requirements on the Bonds at Maturity, and when no Bonds remain Outstanding shall be paid to the City.

The Trustee shall determine the Value of cash and Permitted Investments in the Debt Service Reserve Fund each Interest Payment Date and at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If at any time of valuation, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement the amount of such excess shall be transferred to the Administrative Expense Fund. The Debt Service Reserve Requirement may be satisfied by deposits in cash or Permitted Investments.

The Trustee shall provide written notice of any drawing on the Debt Service Reserve Fund to the City within five days of such drawing.

Section 4.07. Application of Moneys in the Administrative Expense Fund.

(a) The Trustee shall deposit and credit to the Administrative Expense Fund, as and when received:

- (i) the amounts required to be deposited therein under **Section 4.06** hereof;
- (ii) interest earnings and other income on Permitted Investments required to be deposited in the Administrative Expense Fund pursuant to **Section 6.02** hereof; and
- (iii) all amounts paid by the Developer pursuant to the Development Agreement.

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(b) Moneys in the Administrative Expense Fund shall be used to pay Administrative Expenses to the extent such expenses have not been paid or advanced by the Developer. If, at any time, there are insufficient funds in the Administrative Expense Fund to pay all Administrative Expenses, the Trustee shall provide notice to the Developer and City of the Developer's obligation to pay such fees in accordance with Section 4.02(e) of the Development Agreement. Moneys on deposit in the Administrative Expense Fund after all required rebate amounts have been paid, and all Administrative Expenses have been paid (or provision has been made for their payment) may be used to pay the final Debt Service Requirements on the Bonds at their final Maturity, and, when no Bonds remain Outstanding, shall be paid to the City.

The Trustee shall keep and maintain adequate records pertaining to the Administrative Expense Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Administrative Expense Fund with the City.

Section 4.08. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at maturity, if funds sufficient to pay such Bond have been made available to the Trustee all liability of the City to the Bondowner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Bondowner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at maturity, the Trustee shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Bondowner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Trustee, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE V

COLLECTION AND APPLICATION OF REVENUES

Section 5.01. Revenue Fund. The City covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the CID Special Assessment Revenues derived and collected from the City Place CID shall as and when received be paid and deposited into the Revenue Fund held by the Trustee under this Indenture. CID Special Assessment Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City.

Section 5.02. Application of Moneys in the Revenue Fund. The City covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, all CID Special Assessments Revenues and all proceeds of the Bonds shall be deposited with the Trustee and the Trustee agrees to administer and allocate all of the moneys held in the Revenue Fund solely for the purposes and in the manner set forth in this Indenture and shall promptly deposit moneys in the Revenue Fund in accordance with

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Section 4.04(ii) and **Section 4.04(vi)** of this Indenture. The City shall notify the Trustee of any amount of the City Special Assessment Revenues that are CID Special Assessments Prepayments and the Trustee shall deposit such amount in the Redemption Subaccount in accordance with **Section 4.04(vi)**.

ARTICLE VI

DEPOSIT AND INVESTMENT OF MONEYS

Section 6.01. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the City except as provided under **Section 6.02** hereof for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except to the extent such moneys are not invested in Permitted Investments.

Section 6.02. Investment of Moneys. Moneys held in each of the funds and accounts under this Indenture shall, pursuant to written directions of the Authorized City Representative, or in the absence of such written direction in investments provided for in **subsection (f)** of the definition of Permitted Investments, be invested and reinvested by the Trustee in accordance with the provisions of this Indenture and the Tax Compliance Agreement in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed. The Trustee may make any investments permitted by the provisions of this Section through its own bond department or short-term investment department or that of any affiliate of the Trustee and may pool moneys for investment purposes, except moneys held in any fund or account that are required to be yield restricted in accordance with the Tax Compliance Agreement, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the 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 Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to **Section 4.05** hereof) shall be credited to such fund or account, and any loss resulting from such Permitted Investments shall be charged to such fund or account; provided, that interest accruing on amounts on deposit in the Capitalized Interest Subaccount and shall be credited to the Debt Service Account. The Trustee shall sell or present for redemption and reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary to provide moneys in any fund or account for the purposes of such fund or account and the Trustee shall not be liable for any loss resulting from such investments.

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ARTICLE VII

REFUNDING BONDS

Section 7.01. Refunding Bonds. The City shall have the right to refund all of the Bonds under the provisions of any law then available. The City shall have the right to refund any portion of the Bonds, and, if the Debt Service Requirements for the refunding bonds is equal to or less than the Debt Service Requirements for the Bonds being refunded, the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds that are not refunded upon the funds and accounts pledged under this Indenture and any supplemental indenture providing for the issuance of the refunding bonds shall require any amount of CID Special Assessments not required to pay the scheduled principal (whether at stated maturity or mandatory redemption) to be applied to the redemption of the Bonds and such refunding bonds on a pro rata basis within the limits of the Authorized Denominations.

ARTICLE VIII

PARTICULAR COVENANTS AND PROVISIONS

Section 8.01. Authority to Issue Bonds and Execute Indenture. The City covenants that it is duly authorized under the Constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof, 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.

Section 8.02. Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the City payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and proceeds) solely out of the CID Special Assessment Revenues, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in this Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any political subdivision thereof; but shall be payable solely from the CID Special Assessment Revenues and the funds provided for in this Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State, the City or any political subdivision thereof to levy any form of general taxation therefor or to make any appropriation for their payment.

Section 8.03. Instruments of Further Assurance. The City will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging

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and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described. An executed counterpart of the Tax Compliance Agreement and all other documents or instruments required by the Trustee shall be delivered to and held by the Trustee.

Section 8.04. Performance of Covenants. The City shall (to the extent within its control) faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds, the Financing Documents to which it is a party and in all proceedings pertaining thereto. In addition, the City further covenants and agrees with the Bondowners and the Trustee as follows:

- (a) To take all actions, if any, which shall be necessary, in order further to provide for the levy of the CID Special Assessment;
- (b) If all of the Construction Account has not been disbursed for payment of CID Improvements Costs, to notify the Trustee if the City has determined that the final costs of the CID Improvements are less than the maximum amount of CID Special Assessments levied by the City and the CID Improvements are completed;
- (c) To not take any action which would adversely affect the levy of the CID Special Assessment levied pursuant to the Assessment Ordinance except for reductions in the CID Special Assessments required pursuant to K.S.A, 12-6a09 if the final costs of the CID Improvements are less than the maximum amount of CID Special Assessments levied by the City;
- (d) To comply with all requirements of the Act, the Bond Ordinance and other applicable present and future laws concerning the levy of the CID Special Assessment levied pursuant to the Assessment Ordinance, to pay the principal of and interest on the Bonds as they come due;
- (e) To not encumber, pledge or place any charge or lien upon any of the CID Special Assessments or other amounts pledged to the Bonds superior to, or on a parity with, or junior to, the pledge and lien created in the Indenture for the benefit of the Bonds, except as permitted by, or specifically set forth in, this Indenture; and
- (f) To not permit any amendments to the CID Ordinance, whether by petition of the Developer or otherwise, without the consent of all Bondowners.

Section 8.05. Inspection of Books. The City covenants and agrees that all books and documents in its possession relating to the Bonds, this Indenture and the Development Agreement, and the transactions relating thereto shall at all reasonable times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate. The Trustee covenants and agrees that all books and documents in its possession relating to the Bonds, this Indenture and the Development Agreement, and the transactions relating thereto shall be open to inspection by the City during business hours upon reasonable notice.

Section 8.06. Enforcement of Rights. The City agrees that the Trustee, as assignee, transferee, pledgee, and owner of a security interest under this Indenture in its name or in the

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name of the City may enforce all rights of the City for and on behalf of the Bondowners, whether or not the City is in default hereunder.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. The term “event of default,” wherever used in this 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; or

(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 or upon proceedings for redemption or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of the City in this 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 City by the Trustee or to the City and the 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 City 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; or

Anything herein contained to the contrary notwithstanding, nothing herein contained shall require the City to expend any funds of the City to remedy any default other than CID Special Assessment Revenues pledged to the payment of the Bonds.

Section 9.02. Exercise of Remedies by the Trustee. Upon the occurrence and continuance of any event of default under this Indenture, unless the same is waived or cured as provided in this Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Indenture or by law:

(a) **Right to Pursue Available Remedies.** The Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal and on overdue installments of interest, and any other sums due under this Indenture, to realize on or to foreclose any of its interests or liens under this Indenture or any other Financing Document, to enforce and compel the performance of the duties and obligations of the City as set forth in this Indenture and to enforce or preserve any other

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rights or interests of the Trustee under this Indenture with respect to any of the 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 a majority in principal amount of Bonds Outstanding and if indemnified as provided in this **Section 10.02** and **Section 10.04** of this Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Trustee, being advised by counsel, 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 Trustee and of the Bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) **Suits to Protect the Trust Estate.** The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Bondowners in the 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 this Indenture or be prejudicial to the interests of the Bondowners or the 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 City or the Developer is a party and which in the judgment of the Trustee, being advised by counsel, has a substantial bearing on the interests of the Bondowners.

(e) **Enforcement Without Possession of Bonds.** All rights of action under this Indenture or any of the Bonds may be enforced and prosecuted by the 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 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 Trustee, its agents and counsel, and subject to the provisions of **Section 9.05** hereof, be for the equal and ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.

(f) **Restoration of Positions.** If the Trustee or any Bondowner has instituted any proceeding to enforce any right or remedy under this 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 Trustee or to such Bondowner, then and in every case the City, the Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and

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rights under this Indenture, and thereafter all rights and remedies of the Trustee and the Bondowners shall continue as though no such proceeding had been instituted.

Section 9.03. Limitation on Suits by Bondowners. No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy under this Indenture, unless:

- (a) such Owner has previously given written notice to the Trustee of a continuing event of default;
- (b) the Owners of not less than a majority in principal amount of the Bonds Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under this Indenture;
- (c) such Owner or Owners have offered to the Trustee indemnity as provided in **Section 10.02** and **Section 10.04** of this Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the 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 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 Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in this 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 maturities expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in this Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Section 9.04. Control of Proceedings by Bondowners. The Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an event of default, provided indemnity has been provided to the Trustee in accordance with **Section 10.02** and **Section 10.04**:

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

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

(i) such direction shall not be in conflict with any rule of law or this Indenture;

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

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

Section 9.05. Application of Moneys Collected. Any moneys collected by the Trustee pursuant to this Article (after the deductions for payment of reasonable costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the 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 Trustee under **Section 10.04** of this 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 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 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 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 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 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

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payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.06. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the 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 hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.07. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Trustee and the City, on behalf of the Owners of all the Bonds waive any past default hereunder 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 hereof which under **Article XI** 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 this Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

ARTICLE X

THE TRUSTEE

Section 10.01. Acceptance of Trusts; Certain Duties and Responsibilities. The Trustee accepts the trusts imposed upon it by this Indenture and agrees to execute and perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon the following express terms and conditions and no implied covenants or obligations shall be read into this Indenture against the Trustee:

- (a) Except during the continuance of an event of default,
 - (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
 - (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the

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opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

(b) If an event of default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

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

(i) this Subsection shall not be construed to limit the effect of **Subsection (a)** of this Section;

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

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of 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 Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or conveying insights and duties or affording protection to the Trustee, whether in its capacity as Trustee, Paying Agent, bond registrar or any other capacity, shall be subject to the provisions of this **Article X**.

Section 10.02. Certain Rights of Trustee. Except as otherwise provided in **Section 10.01** of this Indenture:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, 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. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith.

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(b) The Trustee may consult with counsel, and the 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 Trustee hereunder in good faith and in reliance thereon.

(c) Notwithstanding anything in this Indenture to the contrary, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture whether at the request or direction of any of the Bondowners pursuant to this Indenture or otherwise, unless such Bondowners or other party shall have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the fees, advances, costs, expenses and liabilities (except as may result from the Trustee's own negligence or willful misconduct) which might be incurred by it in connection with such rights or powers.

(d) The 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 Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the City, personally or by agent or attorney.

(e) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds, or for the recording or re-recording, filing or re-filing of this Indenture or any financing statements (other than continuation statements) in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance. The Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the City or the Developer of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the City or the Developer under any provision of this Indenture.

(f) The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the City or the Developer with the same rights it would have if it were not Trustee.

(g) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall not be responsible or liable for interest on any money received by it hereunder or for any loss suffered in connection with any investment of moneys made by it as long as the investments are authorized and directed pursuant to **Section 6.02** of this Indenture.

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(h) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder and the Trustee may in all cases pay such reasonable compensation to all such agents, receivers and attorneys as may reasonably be employed in connection with the trusts hereof.

(i) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable costs and expenses (including without limitation attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action.

(j) The Trustee may elect not to proceed in accordance with the directions of the Bondowners without incurring any liability to the Bondowners if in the opinion of the Trustee such direction may result in environmental liability to the Trustee, in its individual capacity for which the Trustee has not received indemnity pursuant to **Section 10.02** and **Section 10.04** hereof from the Bondowners, and the Trustee may rely upon an Opinion of Counsel addressed to the City and the Trustee in determining whether any action directed by the Bondowners may result in such liability.

(k) The Trustee may inform the Bondowners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists, which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to **Section 10.02** and **Section 10.04** hereof.

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

(m) The Trustee shall not be required to give any bond or security in respect of the execution of the said trusts and powers or otherwise in respect to the premises.

(n) Any action taken by the Trustee pursuant to this Indenture upon the request or authorized consent of any person who, at the time of making such request or giving such authority or consent is the Bondowner of any Bond, shall be conclusive and binding upon all future Bondowners of the same Bond and upon Bonds delivered in exchange therefor or upon transfer or in substitution thereof.

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

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

Section 10.03. Notice of Defaults. The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, unless the Trustee shall be specifically notified in writing of such default by the City or the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the Trustee has received notice of any default or the occurrence of any default hereunder of which the Trustee is deemed to have notice, the Trustee shall give written notice of such default by first-class mail to all Owners of Bonds as shown on the bond register maintained by the Trustee, unless such default shall have been cured or waived. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 10.04. Compensation and Reimbursement. The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for all services (including extraordinary services if required) rendered by it hereunder (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 herein, upon its request, for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel, as well as extraordinary costs and expenses), except any such expense, disbursement or advance as may be attributable to the Trustee’s negligence or bad faith; and

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence 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 action, suit, demand, judgment, claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section, the Trustee shall be secured under this Indenture by a first lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under **Article IV** hereof except for moneys held in the Rebate Fund.

Section 10.05. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under

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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, and having a combined capital and surplus of at least \$50,000,000. If such entity 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 entity shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee 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 this Article.

Section 10.06. Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the City, the Placement Agent, the Developer and each Owner of Bonds Outstanding as shown by the list of Bondowners required by this Indenture to be kept at the office of the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) If the Trustee has or shall acquire any conflicting interest, it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the City that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in **subsection (a)**.

(c) The Trustee may be removed at any time by the City or by an instrument or concurrent instruments in writing delivered to the City and the Trustee signed by the owners of a majority in principal amount of the Outstanding Bonds.

(d) The Trustee shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the bond register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under **Section 10.08**.

Section 10.07. Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the City, or the Owners of a majority in principal amount of Bonds Outstanding (if an event of default hereunder has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the City and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the 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 Trustee shall be so appointed by the City or the Bondowners. If, within 30 days after such resignation, removal or

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incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, any Bondowner may petition any court of competent jurisdiction for the appointment of a successor 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 Trustee appointed pursuant to the provisions of this Section shall be a bank 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 this Article and K.S.A. 10-501, as amended.

Section 10.08. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee and the duties and obligations of the retiring Trustee shall cease and terminate; but, on request of the City or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the City shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article and K.S.A. 10-501, as amended.

Section 10.09. Merger, Consolidation and Succession to Business. Any bank or association into which the Trustee may be merged or with which it may be consolidated, or any bank or association resulting from any merger or consolidation to which the Trustee shall be a party, or any bank or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such bank or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or 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 Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

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Section 10.10. Co-Trustees and Separate Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies herein granted to the Trustee, or any other action which may be desirable or necessary in connection therewith, the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Owners of at least 25% in principal amount of the Bonds Outstanding, the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more banks or trust companies approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the 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 banks or trust companies in the capacity aforesaid, any property, title, protection, immunity, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the City 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 Trustee alone shall have power to make such appointment.

Should any written instrument from the City 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 City.

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 hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the 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 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 Trustee at any time, by an instrument in writing executed by it, with the concurrence of the City evidenced by a resolution, 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 Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the City. Upon the written request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements

APPENDIX A – FORM OF THE INDENTURE

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 hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Section 10.11. Designation of Paying Agents. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The City may, in its discretion, cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, premium, if any, and interest on the Bonds of any series, or at the principal corporate trust office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed by the City in connection with the appointment of any successor Trustee.

Section 10.12. Reports to City. Not later than 30 days after each March 1 and September 1, the Trustee shall provide to the City a report showing revenue and disbursements from each fund and account established under this Indenture. The Trustee agrees to provide such further information relating to the administration of this Indenture as reasonably requested by the City.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.01. Supplemental Indentures Without Consent of Bondowners. Without the consent of the Owners of any Bonds, the City and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

(a) to correct or amplify the description of any moneys at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any moneys subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property; or

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed; or

(c) to evidence the appointment of a separate trustee or the succession of a new trustee under this Indenture; or

APPENDIX A – FORM OF THE INDENTURE

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

(e) to authorize the issuance of refunding bonds and make such other provisions as provided in **Section 7.01**; or

(f) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in this Indenture; or

(g) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(h) to make such modifications or changes herein that are not materially adverse, in the discretion of the Trustee, to the interests of Bondowners.

Section 11.02. Supplemental 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 Indenture, the City and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Owners of the Bonds under this Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby:

(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); or

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

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

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

(e) modify any of the provisions of this Section or **Section 11.01**, except to increase any percentage provided thereby or to provide that certain other provisions of

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this Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or

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

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 Indenture, but it shall be sufficient if such act shall approve the substance thereof.

Section 11.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee and the City shall be entitled to receive, and, subject to **Article X**, shall be fully protected in relying upon, an Opinion of Bond Counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is authorized and permitted by and in compliance with the terms of this Indenture and the Act and the delivery thereof will not adversely affect the exclusion from federal gross income of interest on the Bonds. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 11.04. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be modified in accordance therewith and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 11.05. Reference in Bonds to Supplemental Indentures. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if required by the Trustee, shall bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the City shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the City, to any such Supplemental Indenture may be prepared and executed by the City and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE XII

SATISFACTION AND DISCHARGE

Section 12.01. Payment, Discharge and Defeasance of Bonds. Bonds will be deemed to be paid and discharged and no longer Outstanding under this Indenture and will cease to be entitled to any lien, benefit or security of this Indenture if the City shall pay or provide for the payment of such Bonds in any one or more of the following ways:

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(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 Trustee for cancellation; or

(c) by depositing in trust with the Trustee or other Paying Agent Government 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 this Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or redemption dates only with Government Obligations pursuant to **subsection (c)** above, subject to receipt by the Trustee of (1) a verification report in form and substance satisfactory to the Trustee prepared by independent certified public accountants, or other verification agent, satisfactory to the Trustee, and (2) an Opinion of Counsel addressed and delivered to the Trustee and the City in form and substance satisfactory to the Trustee and the City 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 this Indenture has been provided for in the manner set forth in this Indenture.

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

Moneys and Government Obligations so deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys and Government Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Government Obligations have been deposited with the Trustee.

Section 12.02. Satisfaction and Discharge of Indenture. This Indenture and the lien, rights and interests created by this Indenture shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein provided for) 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 **Section 12.01**; and

(b) all other sums payable under this Indenture with respect to the Bonds are paid or provision satisfactory to the Trustee is made for such payment.

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

Section 12.03. Rights Retained After Discharge. Notwithstanding the satisfaction and discharge of this Indenture, the rights of the Trustee under **Section 10.04** shall survive, and the Trustee shall retain such rights, powers and duties under this 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 herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for six 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 herein, shall then be deposited in the City's general fund to be expended in accordance with the Act, and all liability of the Trustee or any Paying Agent or the City with respect to such moneys shall thereupon cease.

ARTICLE XIII

TAX COVENANTS

Section 13.01. Tax Covenants.

(a) The City (to the extent within its power or direction) shall not use or permit the use of any proceeds of the Bonds or any other funds of the City, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any Bond from gross income for federal income tax purposes.

(b) The City agrees that so long as any of the Bonds remain Outstanding, it will comply with the provisions of the Tax Compliance Agreement applicable to the City.

(c) The Trustee agrees to comply with the provisions of the Tax Compliance Agreement, and upon receipt of the Tax Compliance Agreement and any Opinion of Bond Counsel which sets forth such requirements, to comply with any statute, regulation or ruling that may apply to it as Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Bonds. The Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Trustee, on behalf of the City, with such information as the Trustee, on behalf of the City, may request in order to determine in a manner reasonably satisfactory to the Trustee, on behalf of the City, all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and (b) compliance with rebate requirements of Section 148(f) of the Code. The costs and expenses incurred by the

APPENDIX A – FORM OF THE INDENTURE

Trustee in connection with supplying the foregoing information shall be paid as provided in **Section 10.04**.

(d) The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XII** of this Indenture or any other provision of this Indenture, until the final maturity date of all Bonds Outstanding and payment thereof.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01. Notices, Consents and Other Instruments by Registered Bondowners. Any notice, consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Registered Bondowners other than the assignment of the Bond ownership of the Bonds, may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of the Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the City and the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of the Bonds, the amount or amounts, numbers and other identification of the Bonds, and the date of holding the same shall be proved by the Bond Register of the City maintained by the Trustee.

In determining whether the Registered Bondowners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds registered in the name of the City shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 14.02. Further Authority. The officers of the City, including the Mayor, City Manager, Deputy City Manager and the City Clerk, are hereby authorized and directed to execute all documents, including without limitation an agreement with the Trustee, and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Indenture and to make any changes or additions in this Indenture and the foregoing

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agreements, statements, instruments and other documents herein approved, authorized and confirmed which they determine to be in the City's best interest, and the execution or taking of such action shall be conclusive evidence of such determination.

Section 14.03. Immunity of Officers, Directors, Members, Employees and Agents of City. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the City, or of any successor public corporation, either directly or through the City or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of Bonds.

Section 14.04. Limitation on City Obligations. Any other term or provision in this Indenture or in any other Financing Documents or elsewhere to the contrary notwithstanding:

(a) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the City or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the other Financing Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively, the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) revenues derived from the Bonds, this Indenture (including the Trust Estate to the extent provided in this Indenture);

the above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the City within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the City or any charge upon their general credit or taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the City, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

APPENDIX A – FORM OF THE INDENTURE

- (i) depriving the City of any right or privilege; or
- (ii) requiring the City or any member, officer, agent, employee, representative or advisor of the City to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate or result in the City's being in violation of the Act or any other applicable state or federal law.

Section 14.05. Benefit of Indenture. This Indenture shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Indenture, nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed under **Section 10.10** and the Owners of Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 14.06. Severability. If any section or other part of this Indenture, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Indenture.

Section 14.07. Governing Law. This Indenture shall be governed exclusively by and constructed in accordance with the applicable laws of the State.

Section 14.08. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.09. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Indenture to be made, given or furnished to or filed with the following persons, upon receipt by such person if the same shall be delivered in person or duly mailed by registered or certified mail, postage prepaid, at the following addresses:

to City:	City of Overland Park, Kansas 8500 Santa Fe Drive Overland Park, KS 66208 Telephone: (913) 895-6000 Facsimile: (913) 895-5095 Attention: City Manager
to Trustee:	Security Bank of Kansas City, as Trustee One Security Place 701 Minnesota Avenue Kansas City, Kansas 66101 Telephone: (913) 279-7946 Facsimile: (913) 279-7960 Attention: Corporate Trust Department

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or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Notices to Bondowners shall be given by first-class mail at the address of each Bondowner as shown on the Bond Register maintained by the Trustee. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to the other Bondowners.

Section 14.10. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of Page Intentionally Left Blank]

APPENDIX A – FORM OF THE INDENTURE

IN WITNESS WHEREOF, the City and the Trustee have caused this Trust Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, by their duly authorized officers, all as of the day and year first above written.

CITY OF OVERLAND PARK, KANSAS

By: _____
Carl Gerlach, Mayor

(SEAL)

ATTEST:

By: _____
Marian Cook
City Clerk

APPENDIX A – FORM OF THE INDENTURE

IN WITNESS WHEREOF, the City and the Trustee have caused this Trust Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, by their duly authorized officers, all as of the day and year first above written.

SECURITY BANK OF KANSAS CITY,
as Trustee

By: _____

(SEAL)

ATTEST:

By: _____
Name: _____
Title: _____

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EXHIBIT A

CID IMPROVEMENTS

The general components of the CID project include but are not limited to: design and construction of 113th Street and Indian Creek Parkway improvements to include the streets; sidewalks; streetscape; sanitary and storm sewers; drainage conduits, basins, and channels, including the relocation and reengineering of the onsite stream way; street light fixtures; water main and extensions; public trail corridor system; power infrastructure; earthwork; retaining walls; utility improvements and relocation; landscaping; and all associated costs and fees.

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EXHIBIT B

FORM OF BOND

BY ITS PURCHASE OF THIS BOND, THE PURCHASER HEREOF AGREES THAT ANY RESALE OR OTHER DISPOSITION OF THIS BOND WILL BE MADE ONLY TO A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR. IN ORDER TO ASSURE COMPLIANCE WITH THE AFORESAID RESTRICTION, THE PROPOSED TRANSFEREE OF THIS BOND MUST EXECUTE AND DELIVER TO THE TRUSTEE AN INVESTOR LETTER IN THE FORM ATTACHED TO THE INDENTURE HEREIN DEFINED.

REGISTERED
NUMBER R-__

REGISTERED
\$ _____

**THE UNITED STATES OF AMERICA
STATE OF KANSAS
CITY OF OVERLAND PARK
SPECIAL ASSESSMENT BONDS
SERIES 2014
(CITY PLACE COMMUNITY IMPROVEMENT DISTRICT PROJECT)**

Interest Rate

Maturity Date

Dated Date

%

September 1, 2034

[Closing Date]

REGISTERED OWNER:

TAX I.D. NO.:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Overland Park, Kansas (the “City”), a municipal corporation and political subdivision duly organized and existing under the laws of the State of Kansas (the “State”), for value received, hereby promises to pay, but only out of the CID Special Assessment Revenues, as defined in the hereinafter defined Indenture, and other assets pledged therefore as hereinafter mentioned, to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter described), the Principal Amount identified; and to pay interest in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts until payment of such Principal Amount shall be discharged as provided in the Indenture, at the Interest Rate per annum as set forth above, payable on March 1 and September 1 (or, if such day is not a Business Day, on the next succeeding Business Day) in each year, commencing March 15, 2015 (each, an “Interest Payment Date”). The principal hereof and Redemption Price, are payable upon presentation hereof upon maturity or earlier redemption, at the designated corporate trust office of Security Bank of Kansas City, Kansas City, Kansas (together with any successor as paying agent under the Indenture, the “Trustee” and the “Paying Agent”). Interest payments are (a) payable by check or draft mailed to the Registered Owner hereof, or (b) in the case of payment of any Bondowner of \$1,000,000 or more in aggregate principal amount of Bonds by electronic transfer of funds as provided in the Indenture. Such interest is payable to the person whose name appears on the bond registration books of the Trustee, as Bond Registrar, as the Registered Owner hereof as of the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding an Interest Payment Date, at such person’s address as it appears on such registration books. Capitalized terms used and not otherwise defined herein

APPENDIX A – FORM OF THE INDENTURE

shall have the meanings ascribed to them in the Trust Indenture dated as of [Closing Date] (the “Indenture”), by and between the City and the Trustee.

This Bond is being issued pursuant to the provisions of K.S.A. 12-6a26 *et seq.* as amended and supplemented (the “Act”). The Bonds are special limited obligations of the City payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof) solely out of certain special assessments levied in the City Place Community Improvement District and received by the City (the “CID Special Assessment Revenues”), and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate created under the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City, the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the City, the State or of any political subdivision thereof, but shall be payable solely from the CID Special Assessment Revenues and the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State, the City or any political subdivision thereof to levy any form of general taxation therefor or to make any appropriation for their payment. Reference is hereby made to the Indenture (copy of which is on file at the corporate trust office of the Trustee in Kansas City, Kansas) and all indentures and agreements supplemental thereto and to the Ordinance for a description of the rights thereunder of the Bondowners, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the City thereunder, to all the provisions of which the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond is one of a duly authorized issue of bonds of the City designated as “City of Overland Park, Kansas Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project)” (the “Bonds”), issued in the original principal amount of \$6,030,000, pursuant to the provisions of an ordinance of the City (the “Ordinance”), and pursuant to the Indenture. The Bonds are issued for the purpose of providing funds to (i) finance CID Improvements Costs, (ii) fund capitalized interest, (iii) fund a debt service reserve fund, and (iv) pay certain costs of issuance of the Bonds and a City Administrative Fee, as more fully described in the Indenture.

Redemption Provisions

Optional Redemption. At the option of the City, the Bonds are subject to redemption and payment prior to maturity, on or after September 15, 2022, in whole or in part (selection of maturities and the amount of Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) on any date in Authorized Denominations, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Special Mandatory Redemption of Bonds.

(a) The Bonds are subject to special mandatory redemption and payment prior to stated maturity, in whole or in part, on the earliest practicable date(s), at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date thereof from certain funds remaining in the CID Construction Account following completion of the CID Improvements and, under certain circumstances, from CID Special Assessment Prepayments, all as described in the Indenture.

(b) The Bonds are subject to special mandatory redemption by the City, in whole but not in part, on any date in the event that moneys in the Debt Service Account and the Redemption Subaccount of the Debt Service Account and the Debt Service Reserve Fund are sufficient to redeem all of the Bonds, at a Redemption Price of 100% of the Bonds Outstanding, together with accrued interest thereon to the Redemption Date.

APPENDIX A – FORM OF THE INDENTURE

Mandatory Sinking Fund Redemption of Bonds. The Bonds are subject to mandatory sinking fund redemption, in part, on September 1 in each of the years and in the principal amounts set forth in the Indenture, at a Redemption Price of 100% of the principal amount of the Bonds to be redeemed plus interest accrued to the Redemption Date.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption. Notice of redemption of Bonds shall be given by mail to the Registered Owners of Bonds to be redeemed not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption.

The Bonds are in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, subject to transfer rights by a Bondowner which have been reduced to a lower principal amount as provided in the Indenture (“Authorized Denominations”). The Bonds may be redeemed only in Authorized Denominations; provided that the Bonds to be redeemed pursuant to subsection (a) under Special Mandatory Redemption herein and pursuant to Mandatory Sinking Fund Redemption may be redeemed in increments of \$5,000.

This Bond has been duly registered in the office of the City Clerk of the City, and the Treasurer of the State of Kansas, and this Bond is negotiable by assignment in accordance with the terms of the Indenture.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Indenture and by the Constitution and laws of the State, and that the amount of this Bond is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City has caused this Bond certificate to be executed in its name by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused the Bonds to be dated the Dated Date shown herein.

CITY OF OVERLAND PARK, KANSAS

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

APPENDIX A – FORM OF THE INDENTURE

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This Bond certificate evidences ownership of the City of Overland Park, Kansas, Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project), as described herein and in the within-mentioned Indenture. The date of authentication of this Bond is _____.

SECURITY BANK OF KANSAS CITY, as Trustee

By: _____
Authorized Signature

APPENDIX A – FORM OF THE INDENTURE

CERTIFICATE OF CITY CLERK

STATE OF KANSAS)
) SS.
COUNTY OF JOHNSON)

I, the City Clerk of the City of Overland Park, Kansas, certify that this Bond has been registered in my office according to law as of _____, 2014.

WITNESS my hand and official seal.

(Seal)

By _____
City Clerk

CERTIFICATE OF STATE TREASURER

OFFICE OF THE TREASURER, STATE OF KANSAS

I, the undersigned, Treasurer of the State of Kansas, hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in my office, and that this Bond was registered in my office according to law on this _____.

WITNESS my hand and official seal.

(SEAL)

By: _____
Treasurer of the State of Kansas

Registration Number: _____

APPENDIX A – FORM OF THE INDENTURE

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfer unto

Print or Type Name and Address of Transferee

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

Dated: _____

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

Signature Guaranteed By:

[Seal of Bank]

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

Signature must be guaranteed by an eligible guarantor institution as defined by S.E.C. Rule 17 Ad-15
(17 C.F.R. 240. 17-Ad-15)

APPENDIX A – FORM OF THE INDENTURE

EXHIBIT C

**FORM OF WRITTEN REQUEST – CERTIFICATION OF EXPENDITURE
(COSTS OF ISSUANCE SUBACCOUNT)**

Request No:

Date:

**WRITTEN REQUEST
(Section 4.03 - COSTS OF ISSUANCE SUBACCOUNT)**

To: Security Bank of Kansas City, as Trustee
Kansas City, Kansas

Re: \$6,030,000 City of Overland Park, Kansas Special Assessment Bonds,
Series 2014 (City Place Community Improvement District Project)

You are hereby requested and directed as Bond Trustee under the Trust Indenture dated as of [Closing Date] (the “Bond Indenture”), between the City of Overland Park, Kansas and you, as Bond Trustee, to pay from moneys in the Costs of Issuance Subaccount, pursuant to **Section 4.03** of the Indenture, to the following payees the following amounts for the following Costs of Issuance (as defined in the Indenture):

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of Issuance</u>
--------------	---------------	---

The undersigned Authorized City Representative hereby states and certifies that each item listed above is a proper Costs of Issuance (as defined in the Indenture) that was incurred in connection with the issuance of the above-referenced Bonds, and the amount of this request is justly due and owing and has not been the subject of another requisition which was paid.

CITY OF OVERLAND PARK, KANSAS

By: _____

Title: Authorized City Representative

APPENDIX A – FORM OF THE INDENTURE

EXHIBIT D-1

**FORM OF DISBURSEMENT REQUEST
(SECTION 4.03 - CONSTRUCTION ACCOUNT)**

Request No: _____

Date: _____

To: Security Bank of Kansas City
Kansas City, Kansas
as Trustee

Re: \$6,030,000 City of Overland Park, Kansas Special Assessment Bonds,
Series 2014 (City Place Community Improvement District Project)

You are hereby requested and directed as Trustee under the Trust Indenture dated as of [Closing Date] (the “Indenture”), between City of Overland Park, Kansas, and you, as Trustee, to pay from moneys in the Construction Account, pursuant to **Section 4.03** of the Indenture for payment, to the following payees the following amounts for the following CID Improvements Costs (as defined in the Indenture):

Payee	Amount	Description of CID Improvements Costs
--------------	---------------	--

SEE ATTACHED

The undersigned Authorized Developer Representative hereby states and certifies that:

1. The amount to be paid is \$_____.
2. Each item listed above is a valid “cost” of a “project” as authorized under the Act and is a proper CID Improvements Cost (as defined in the Indenture) that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the CID Improvements in accordance with the construction contracts and plans and specifications therefor.
3. These costs have been incurred by the Developer under its control and are presently due and payable or have been paid by the Developer and are reasonable costs that are payable or reimbursable under the Indenture and each item thereof is a proper charge against the Construction Account.
4. Each item listed above has not previously been paid or reimbursed from moneys in the Construction Account and no part thereof has been included in any other Disbursement Request previously filed with the Trustee under the provisions of the Indenture or reimbursed to the Developer from Bond proceeds.
5. The Developer is in compliance in all material respects with the Development Agreement.

APPENDIX A – FORM OF THE INDENTURE

COLLEGE 69 ASSOCIATES, LLC

By _____
Authorized Developer Representative

Approved:

Authorized City Representative

APPENDIX A – FORM OF THE INDENTURE

EXHIBIT D-2

**FORM OF DISBURSEMENT REQUEST
(SECTION 4.03 - CONSTRUCTION ACCOUNT)**

Request No: _____

Date: _____

To: Security Bank of Kansas City
Kansas City, Kansas
as Trustee

Re: \$6,030,000 City of Overland Park, Kansas Special Assessment Bonds,
Series 2014 (City Place Community Improvement District Project)

You are hereby requested and directed as Trustee under the Trust Indenture dated as of [Closing Date] (the “Indenture”), between City of Overland Park, Kansas, and you, as Trustee, to pay from moneys in the Construction Account, pursuant to **Section 4.03** of the Indenture for payment, to the following payees the following amounts for the following CID Improvements Costs (as defined in the Indenture):

Payee	Amount	Description of CID Improvements Costs
--------------	---------------	--

SEE ATTACHED

The undersigned Authorized City Representative hereby states and certifies that:

1. The amount to be paid is \$_____.
2. Each item listed above is a valid “cost” of a “project” as authorized under the Act and is a proper CID Improvements Cost (as defined in the Indenture) that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the CID Improvements in accordance with the construction contracts and plans and specifications therefor.
3. These costs have been incurred by the City under its control and are presently due and payable or have been paid by the City and are reasonable costs that are payable or reimbursable under the Indenture and each item thereof is a proper charge against the Construction Account.
4. Each item listed above has not previously been paid or reimbursed from moneys in the Construction Account and no part thereof has been included in any other Disbursement Request previously filed with the Trustee by the City under the provisions of the Indenture.

CITY OF OVERLAND PARK, KANSAS

By: _____
Title: Authorized City Representative

APPENDIX A – FORM OF THE INDENTURE

EXHIBIT E

FORM OF INVESTOR LETTER

City of Overland Park, Kansas
Special Assessment Bonds
Series 2014
(City Place Community Improvement District Project)

_____, 20__

City of Overland Park, Kansas
Overland Park, Kansas

Security Bank of Kansas City, as Trustee
Kansas City, Kansas

Ladies and Gentlemen:

In connection with the purchase by the undersigned (the “Purchaser”) of \$_____ in principal amount of the above-described Bonds (the “Bonds”) of the City of Overland Park, Kansas (the “Issuer”), the Purchaser hereby makes the representations in and agrees to the terms of this Investment Letter. The Bonds are authorized and issued under the Trust Indenture dated as of _____, 2014 (the “Indenture”), by and between the Issuer and Security Bank of Kansas City, Kansas City, Kansas (the “Trustee”). The undersigned acknowledges receipt and review of the Indenture, a City Place Development Agreement dated as of March 7, 2014, between the Issuer and College 69 Associates, LLC, a Kansas limited liability company (the “Developer”), as amended by a First Amendment to City Place Development Agreement dated as of August 4, 2014, and a Second Amendment to City Place Development Agreement dated as of September 8, 2014 (collectively, the “Development Agreement”), and a Private Placement Memorandum dated as of October __, 2014 (the “PPM”). The undersigned hereby certifies in conjunction with its purchase of the Bonds that:

1. The Purchaser is an entity that is a “Qualified Institutional Buyer” (as defined in Rule 144A of the Securities Act of 1933) or an “Accredited Investor” (as defined in Rule 501 of the Securities Act of 1933).

2. The Purchaser understands and acknowledges that the Bonds may be sold, transferred or otherwise disposed of only to an entity that is a “Qualified Institutional Buyer” or an “Accredited Investor” as previously described. Purchaser further understands and acknowledges that any transferee of any Bonds must deliver, or cause to be delivered by the Trustee an investor letter substantially in the form of this Investment Letter.

3. The Purchaser understands and acknowledges that the Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other applicable securities law, are being offered for sale in transactions not requiring registration

APPENDIX A – FORM OF THE INDENTURE

under the Securities Act, and may not be offered, sold, pledged or otherwise transferred except in compliance with terms of the Indenture and the registration requirements of the Securities Act or any other applicable securities laws or pursuant to an exemption therefrom.

4. The Purchaser understands that no credit rating has been sought or obtained with respect to the Bonds, and the Purchaser acknowledges that the Bonds are a speculative investment and that there is a high degree of risk in such investment.

5. The Purchaser has been provided with such information concerning the Project and the Developer (as such terms are defined in the PPM) as it has requested and that it deems necessary in its decision to purchase the Bonds. The Purchaser has had an opportunity to make inquiries of such officers, employees, agents and attorneys of the City and the Developer as it considers appropriate in connection with its purchase of the Bonds

6. The Purchaser understands that the Bonds are secured only by special assessments against certain property and certain funds held by the Trustee under the Indenture (as further described in the Indenture), that the Bonds will never constitute a general obligation of the Issuer, the State of Kansas or any political subdivision thereof, and that no right exists to have general taxes levied by the Issuer, the State of Kansas or any political subdivision thereof for the payment of principal of or interest on the Bonds. The Bonds are special, limited obligations of the Issuer payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof) solely out of the Trust Estate created under the Indenture and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Bonds, as provided in the Indenture. The Purchaser further understands that under no circumstances are the Bonds payable from, nor does the Purchaser have any rightful claim to, any income, revenues, funds or assets of the Issuer other than those pledged under the Indenture as security for the payment of the Bonds.

7. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments. In reaching the conclusion that it desires to acquire the Bonds, the Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase. In particular, the Purchaser acknowledges it is familiar with the special assessment procedures in the State of Kansas and the risk associated with Bonds secured by special assessments.

8. The Purchaser understands, acknowledges and agrees that the owners of the real property located within the City Place CID have not guaranteed the payment of the Bonds in the event there is a default or non-payment of special assessments.

9. The Bonds have been purchased for the Purchaser's own account for investment and not with a view to the distribution, transfer or resale thereof, provided that the disposition of the Bonds shall at all times be within the Purchaser's sole control.

10. The Purchaser acknowledges that the Issuer, Bond Counsel and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

APPENDIX A – FORM OF THE INDENTURE

11. This Investment Letter will constitute an agreement with respect to the matters herein contained as of the date hereof.

The foregoing representations shall survive the execution and delivery of the Bonds to the Purchaser and the instruments and documents contemplated thereby.

Sincerely yours,

[INVESTOR]

Name _____

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APPENDIX B
FORM OF BOND COUNSEL OPINION

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APPENDIX B
FORM OF BOND COUNSEL’S OPINION

[Closing Date]

Governing Body of the
City of Overland Park, Kansas
Overland Park, Kansas

Security Bank of Kansas City,
as Trustee
Kansas City, Kansas

Re: \$6,030,000 Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project), of the City of Overland Park, Kansas (the “Bonds”)

We have acted as Bond Counsel in connection with the issuance by the City of Overland Park, Kansas (the “City”), of the Bonds pursuant to K.S.A. 12-6a26 *et seq.*, as amended (the “Act”), an ordinance passed by the Governing Body of the City and a Trust Indenture dated [Closing Date], between the City and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Indenture”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Indenture and other financing documents and the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

(1) The Bonds have been duly authorized, executed and delivered by the City and are valid and legally binding special limited obligations of the City payable as to principal and interest (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof) solely from and secured as to the payment of principal and interest by a pledge of CID Special Assessment Revenues and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee in favor of the owners of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute a general obligation of the City, nor shall they constitute an indebtedness of the City, the State of Kansas or any political subdivision thereof within the meaning of any constitutional provision or statutory limitation and do not constitute a pledge of the full faith and credit of the City, the State of Kansas or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State of Kansas or any political subdivision

Governing Body of the
City of Overland Park, Kansas
Security Bank of Kansas City
[Closing Date]
Page 2

thereof to levy any form of general taxation therefore or to make any appropriation for their payment.

(2) The Indenture has been duly authorized, executed and delivered by the City and is a valid and legally binding agreement of the City enforceable against the City in accordance with its terms.

(3) The Indenture creates a valid assignment of the Trust Estate under the Indenture as security for the payment of the Bonds. Under the terms of the Indenture, additional bonds may be issued to refund a portion of the Bonds, which additional bonds may be on a parity with the Bonds and equally and ratably secured by the Trust Estate created under the Indenture.

(4) The interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax or includable in adjusted current earnings for purposes of calculating the alternative minimum taxable income. The opinions set forth in this paragraph are subject to the condition that the City, Trustee and Developer 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 that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City, Trustee and Developer have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Because the City has properly designated the Bonds as a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, in the case of "financial institutions" as defined in section 265(b)(5) of the Code owning the Bonds, a deduction is allowed for 80% of the otherwise allowable deduction of that portion of such institutions' interest expense allocable to interest on the Bonds. We offer no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by a holder of the Bonds or a related person to purchase or carry the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

(5) Under existing law, the interest on the Bonds is exempt from Kansas income taxation.

Governing Body of the
City of Overland Park, Kansas
Security Bank of Kansas City
[Closing Date]
Page 3

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

We call to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result.

We do not undertake to advise you of matters which may come to our attention subsequent to the date hereof which may affect the legal opinions expressed herein.

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APPENDIX C

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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APPENDIX C

FORM OF DEVELOPER DISCLOSURE AGREEMENT

THIS DEVELOPER CONTINUING DISCLOSURE AGREEMENT (this “**Agreement**”) between **COLLEGE 69 ASSOCIATES, LLC**, a Kansas limited liability company (the “**Developer**”), and **SECURITY BANK OF KANSAS CITY** (the “**Disclosure Agent**”) is being entered into in connection with the issuance by the City of Overland Park, Kansas (the “**City**”) of its \$6,030,000 original principal amount of Special Assessment Bonds, Series 2014 (City Place Community Improvement District Project) (the “**Bonds**”). The Bonds are being issued pursuant to a Trust Indenture, dated as of _____, 2014 (the “**Indenture**”), by and between the City and the Disclosure Agent, as trustee thereunder.

The Developer and the Disclosure Agent hereby covenant and agree as follows:

1. Definitions. Terms not otherwise defined herein shall have the meanings set forth in the Indenture or in the in the City Place Development Agreement, Dated as of March 7, 2014 (as amended, the “**Development Agreement**”), between the City and the Developer.

2. Developer’s Annual Reports.

(a) So long as the Developer or an Affiliate is the owner of any of the real property within the City Place CID, the Developer hereby agrees to provide or cause to be provided to the Disclosure Agent, not later than sixty (60) days after the end of each annual period beginning with the twelve (12) month period ending December 31, 2014, a summary report (the “**Annual Report**”) of the current development plan and the status of development for the Project, which summary will include, to the best of the Developer’s knowledge, the following:

(i) a general description of the then current development plan for the Project, including the type of planned use for each parcel or project area (residential, retail, office, mixed-use, etc.), estimated or expected square footage and the actual or estimated completion date for the applicable component of the Project; and

(ii) whether, during the applicable reporting period, ownership of any property within the boundaries of the City Place CID has changed and, if so, identifying the transferee and indicating whether such transferee is an Affiliate; and

(iii) whether, during the applicable reporting period, any “respread” of CID Special Assessments was completed and, if so, a description of the reason for completing such “respread” and a summary of the annual CID Special Assessments applicable to each parcel or tract within the City Place CID following such “respread”.

(b) In the event that the Disclosure Agent has not received the Annual Report by the sixtieth (60th) day after the end of each reporting period, the Disclosure Agent shall contact the Developer and request the Developer promptly provide the Annual Report.

(c) Upon receipt of the annual report described in subsection (a), the Disclosure Agent shall promptly forward such annual report to the owners of the Bonds. In the event that the Disclosure Agent has requested the provision of the Annual Report pursuant to subsection (b) and the Developer has failed to provide such Annual Report by the thirtieth (30th) day following such request, the Disclosure Agent shall provide a notice of failure to receive the Annual Report to the owners of the Bonds, with a copy to the Developer and the City.

(d) Notwithstanding any other provision of this Agreement to the contrary, the Developer's reporting obligations under this **Section 2** shall terminate following the filing of the Annual Report for the reporting period in which the first to occur of the following has occurred: (i) the Developer has completed the development of the Project pursuant to the terms of the Development Agreement or (ii) neither the Developer nor any Affiliate (as such term is defined in the Development Agreement) has any ongoing obligations to develop the Project under the Development Agreement; provided such Annual Report indicates that the Developer's obligation to provide Annual Reports terminates with the filing of such Annual Report and sets forth the event permitting such termination.

3. Reporting of Notice Events.

(a) Whenever the Developer obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall within thirty (30) days give or cause to be given to the Disclosure Agent notice of any of the following events (each, a "**Notice Event**"):

(i) material damage to or destruction of any of the Project or improvements within the City Place CID with a dollar value greater than \$1,000,000;

(ii) the failure by the Developer or any Affiliate thereof to pay any ad valorem taxes or CID Special Assessments with respect to property in the City Place CID owned by the Developer or any Affiliate thereof; and

(iii) payment default by the Developer or any Affiliate thereof on any loan made by a lender to such party with respect to the acquisition, construction or permanent financing of all or any portion of the property within the City Place CID; and

(iv) declaration by the City of a default by the Developer or any Affiliate pursuant to the Development Agreement.

(b) The Disclosure Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Notice Event, contact the Developer or its designee, or such other person as the Developer shall designate in writing to the Disclosure Agent from time to time, inform such person of the event, and request that the Developer promptly provide in writing any additional information the Disclosure Agent needs to complete the notice relating to such Notice Event or a description of why such event shall not be considered a Notice Event with an instruction to the Disclosure Agent not to report the occurrence pursuant to subsection (d).

(c) Whenever the Developer obtains knowledge of the occurrence of a Notice Event, because of a notice from the Disclosure Agent pursuant to subsection (b) or otherwise, the Developer, within thirty (30) days of receiving such notice from the Disclosure Agent, shall provide the requested information or direction to the Disclosure Agent in writing.

(d) If the Disclosure Agent has received notice of a Notice Event pursuant to subsection (a), the Disclosure Agent shall promptly file a notice of such occurrence with the owners of the Bonds, with a copy to the Developer and the City.

4. Termination of Reporting Obligation. Developer's obligation to provide information and notice of events, as set forth herein, shall terminate upon either payment of the Bonds in full or the legal defeasance of all of the Bonds in accordance with the Indenture.

5. Disclosure Agent. The Disclosure Agent may resign at any time upon giving 30 days prior written notice to the Developer and the Bondowners. Upon any resignation or removal of the Disclosure Agent, the Developer shall, with the prior written consent of the Bondowners, appoint a successor Disclosure Agent who shall execute such documents or agreement as necessary to evidence its agreement to be bound by the terms of this Agreement. The Disclosure Agent shall not be responsible in any manner for the content of any information provided by the Developer pursuant to this Agreement.

6. Rights of Bondholders to Enforce Agreement. This Agreement is for the benefit of the parties hereto and the Bondowners. In the event of a failure by the Disclosure Agent or the Developer to comply with any provision contained herein, the parties hereto or any Bondowner shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. The Disclosure Agent shall not be obligated to take any action to enforce the provisions of this Agreement unless it shall be indemnified by the Bondowners in accordance with the provisions of the Indenture.

7. Notices. Any notices or communications to or among any of the beneficiaries to this Agreement must be given as follows:

If to the Developer:

College 69 Associates, LLC
c/o Block Real Estate Services, LLC
700 West 47th Street, Suite 200
Kansas City, Missouri 64112
Attention: Ken Block

with a copy to:

Polsinelli PC
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
Attention: F. Chase Simmons

If to the Disclosure Agent:

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

8. Counterparts. This 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.

9. Limited Liability of Developer and the Disclosure Agent. No person shall have any claim against the Developer, the Disclosure Agent or any of their respective officers, members, officials, agents or employees for damages suffered as a result of either the Developer's or the Disclosure Agent's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Developer, the Disclosure Agent or any of their respective officers, members, officials, agents or employees to specifically enforce the provisions of this Agreement.

10. Severability. If any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be impaired thereby.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

12. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Developer and the Disclosure Agent may amend this Agreement and any provision of this Agreement may be waived, provided, no such amendment or waiver shall be effective without the prior written consent of the Bondowners.

13. Parties Requesting Information. The Disclosure Agent shall be under no obligation to provide information which it has obtained under this Agreement except as provided herein.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

(Remainder of this page intentionally left blank)

Dated as of _____, 2014

DEVELOPER:

COLLEGE 69 ASSOCIATES, LLC, a Kansas limited liability company

By: BK Properties, LLC, a Kansas limited liability company, its member

By: _____

Name: _____

Title: _____

DISCLOSURE AGENT:

SECURITY BANK OF KANSAS CITY, as Disclosure Agent

By: _____

Name _____

Title: _____

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APPENDIX D
FORM OF THE INVESTOR LETTER

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APPENDIX D

FORM OF THE INVESTOR LETTER

City of Overland Park, Kansas
Special Assessment Bonds
Series 2014
(City Place Community Improvement District Project)

_____, 20__

City of Overland Park, Kansas
Overland Park, Kansas

Security Bank of Kansas City, as Trustee
Kansas City, Kansas

Ladies and Gentlemen:

In connection with the purchase by the undersigned (the “Purchaser”) of \$_____ in principal amount of the above-described Bonds (the “Bonds”) of the City of Overland Park, Kansas (the “Issuer”), the Purchaser hereby makes the representations in and agrees to the terms of this Investment Letter. The Bonds are authorized and issued under the Trust Indenture dated as of _____, 2014 (the “Indenture”), by and between the Issuer and Security Bank of Kansas City, Kansas City, Kansas (the “Trustee”). The undersigned acknowledges receipt and review of the Indenture, a City Place Development Agreement dated as of March 7, 2014, between the Issuer and College 69 Associates, LLC, a Kansas limited liability company (the “Developer”), as amended by a First Amendment to City Place Development Agreement dated as of August 4, 2014, and a Second Amendment to City Place Development Agreement dated as of September 8, 2014 (collectively, the “Development Agreement”), and a Private Placement Memorandum dated as of October __, 2014 (the “PPM”). The undersigned hereby certifies in conjunction with its purchase of the Bonds that:

1. The Purchaser is an entity that is a “Qualified Institutional Buyer” (as defined in Rule 144A of the Securities Act of 1933) or an “Accredited Investor” (as defined in Rule 501 of the Securities Act of 1933).

2. The Purchaser understands and acknowledges that the Bonds may be sold, transferred or otherwise disposed of only to an entity that is a “Qualified Institutional Buyer” or an “Accredited Investor” as previously described. Purchaser further understands and acknowledges that any transferee of any Bonds must deliver, or cause to be delivered by the Trustee an investor letter substantially in the form of this Investment Letter.

3. The Purchaser understands and acknowledges that the Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other applicable securities law, are being offered for sale in transactions not requiring registration

under the Securities Act, and may not be offered, sold, pledged or otherwise transferred except in compliance with terms of the Indenture and the registration requirements of the Securities Act or any other applicable securities laws or pursuant to an exemption therefrom.

4. The Purchaser understands that no credit rating has been sought or obtained with respect to the Bonds, and the Purchaser acknowledges that the Bonds are a speculative investment and that there is a high degree of risk in such investment.

5. The Purchaser has been provided with such information concerning the Project and the Developer (as such terms are defined in the PPM) as it has requested and that it deems necessary in its decision to purchase the Bonds. The Purchaser has had an opportunity to make inquiries of such officers, employees, agents and attorneys of the City and the Developer as it considers appropriate in connection with its purchase of the Bonds

6. The Purchaser understands that the Bonds are secured only by special assessments against certain property and certain funds held by the Trustee under the Indenture (as further described in the Indenture), that the Bonds will never constitute a general obligation of the Issuer, the State of Kansas or any political subdivision thereof, and that no right exists to have general taxes levied by the Issuer, the State of Kansas or any political subdivision thereof for the payment of principal of or interest on the Bonds. The Bonds are special, limited obligations of the Issuer payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof) solely out of the Trust Estate created under the Indenture and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Bonds, as provided in the Indenture. The Purchaser further understands that under no circumstances are the Bonds payable from, nor does the Purchaser have any rightful claim to, any income, revenues, funds or assets of the Issuer other than those pledged under the Indenture as security for the payment of the Bonds.

7. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments. In reaching the conclusion that it desires to acquire the Bonds, the Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase. In particular, the Purchaser acknowledges it is familiar with the special assessment procedures in the State of Kansas and the risk associated with Bonds secured by special assessments.

8. The Purchaser understands, acknowledges and agrees that the owners of the real property located within the City Place CID have not guaranteed the payment of the Bonds in the event there is a default or non-payment of special assessments.

9. The Bonds have been purchased for the Purchaser's own account for investment and not with a view to the distribution, transfer or resale thereof, provided that the disposition of the Bonds shall at all times be within the Purchaser's sole control.

10. The Purchaser acknowledges that the Issuer, Bond Counsel and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

11. This Investment Letter will constitute an agreement with respect to the matters herein contained as of the date hereof.

The foregoing representations shall survive the execution and delivery of the Bonds to the Purchaser and the instruments and documents contemplated thereby.

Sincerely yours,

[INVESTOR]

Name _____

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APPENDIX E

SELECTED SOCIOECONOMIC INFORMATION RELATING TO THE CITY

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APPENDIX E

SELECTED SOCIOECONOMIC INFORMATION RELATING TO THE CITY

General

The City of Overland Park (the “City”) is a commercial hub of the Kansas City metropolitan area and remains strong despite the national economic downturn, as evidenced by development, population growth and an unemployment rate constantly lower than the national rate. In 2013, new construction exceeded \$539 million, including more than \$174 million in residential construction.

As of June, 2014, the City had an unemployment rate of 5.1% compared to a national unemployment rate of 6.1%. For the same period, the State of Kansas had an unemployment rate of 4.9%.

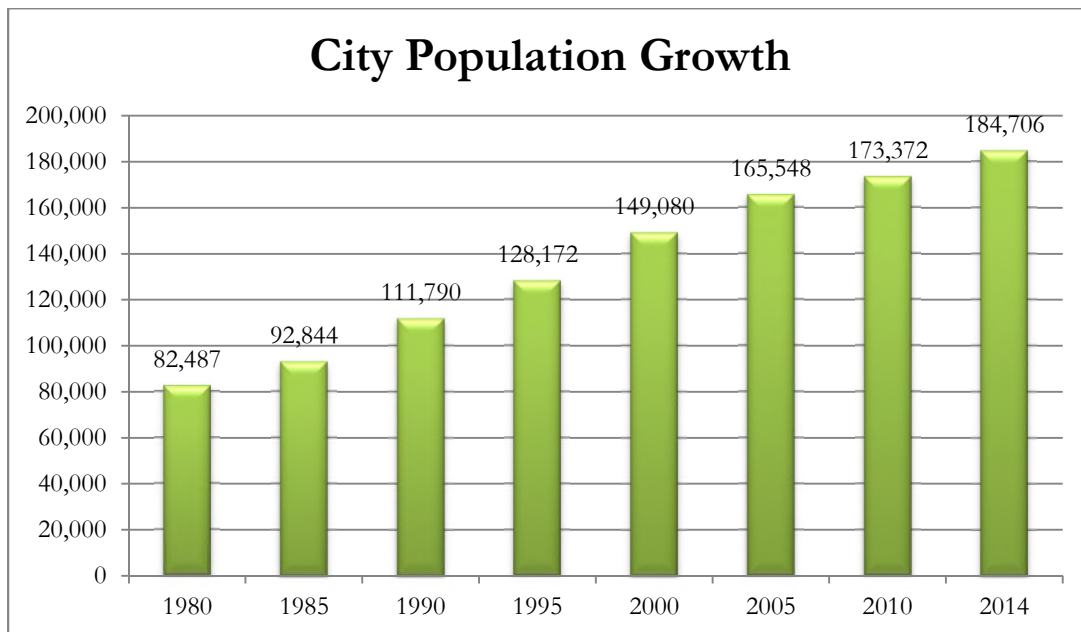
The City’s retail activity has continued to be one of the best in the Kansas City metropolitan area. As a direct result of several large shopping malls and an effective street and traffic-way system, retail customers are drawn from the entire metropolitan area as well as the rest of the eastern half of Kansas and the western half of Missouri. Retail sales have exhibited a strong growth in recent decades, increasing from \$181 million in 1970 to \$3.7 billion in 2012.

Major corporations which have chosen the City as their site of their world headquarters include Sprint, Black & Veatch and YRC Freight. Major corporations which have national headquarters in the City include Apria Healthcare, CareCentrix, OptumRx, Quintiles, Zurich, Ferrellgas and Teva.

Population

As the second largest city in Kansas, the City has an estimated population of 184,706 in 2014. The City experienced a 23.9% increase in population from 2000 to 2014. Currently, the City represents approximately one-third of Johnson County’s total population. Johnson County has grown from a population of 270,269 in 1980 to an estimated population of 566,933 in 2013 (the most recent year data is publicly available).

The following table presents a listing of the City’s population growth from 1980 to 2014.



Major Employers

The following table presents a listing of the major employers within the City in 2013.

Table E-1
Major Employers

<u>Employer</u>	<u>Industry</u>	<u>Estimated Employees</u>
Sprint	Telecommunications	7,500
Shawnee Mission School District	Education	3,781
Blue Valley School District	Education	3,257
Johnson County Community College	Education	2,784
Black & Veatch	Engineering	2,381
CenturyLink	Telecommunications	2,150
OptumRX	Pharmaceuticals	2,000
City of Overland Park	Government	1,303
Waddell & Reed	Financial Services	1,187
Overland Park Regional Med Center	Health Care	1,100

Source: Overland Park Chamber of Commerce – Economic Development Council

Labor Force and Unemployment Statistics

The following table lists the labor force and annual average unemployment rates for the City as compared to the annual average unemployment rates for the State of Kansas and the United States for the years 2004 through August of 2014. The information presented in this table has not been seasonally adjusted.

Table E-2
Labor Force and Unemployment Statistics

<u>Year</u>	<u>City of Overland Park</u>		<u>State of Kansas</u>	<u>United States</u>
	<u>Labor Force⁽¹⁾</u>	<u>Unemployment Rate⁽¹⁾⁽²⁾</u>	<u>Unemployment Rate⁽²⁾</u>	<u>Unemployment Rate⁽²⁾</u>
2014 ⁽³⁾	96,360	4.7%	4.9%	6.1%
2013	94,979	4.8%	4.9%	7.4%
2012	98,575	5.1%	5.7%	8.9%
2011	98,773	6.1%	6.5%	9.6%
2010	98,307	6.6%	7.1%	9.3%
2009	97,629	7.0%	7.1%	5.8%
2008	97,659	4.5%	4.4%	4.6%
2007	97,242	4.0%	4.1%	4.6%
2006	95,110	4.2%	4.4%	5.1%
2005	92,384	4.7%	5.1%	5.5%
2004	92,875	5.1%	5.6%	6.0%

Source: ⁽¹⁾ Kansas Department of Labor, Labor Market Information Services

⁽²⁾ U.S. Department of Labor – Bureau of Labor Statistics

⁽³⁾ As of August, 2014

Per Capita Retail Sales

The per capita retail sales for the years 2004 through 2013 are shown in the table below. The per capita retail sales figures exclude local compensating use tax.

Table E-3
Per Capita Retail Sales

<u>Year</u>	<u>City⁽¹⁾</u>	<u>Johnson County⁽¹⁾</u>	<u>State of Kansas⁽²⁾</u>
2013	\$20,654	\$18,381	\$12,066
2012	20,282	17,810	11,937
2011	20,298	17,375	11,337
2010	19,476	16,801	10,798
2009	18,874	16,365	11,181
2008	20,380	18,766	11,617
2007	21,133	18,082	11,743
2006	21,645	18,260	12,064
2005	21,111	17,992	11,312
2004	21,315	17,869	11,108

Source: (1) City of Overland Park
(2) State of Kansas

Building Permits

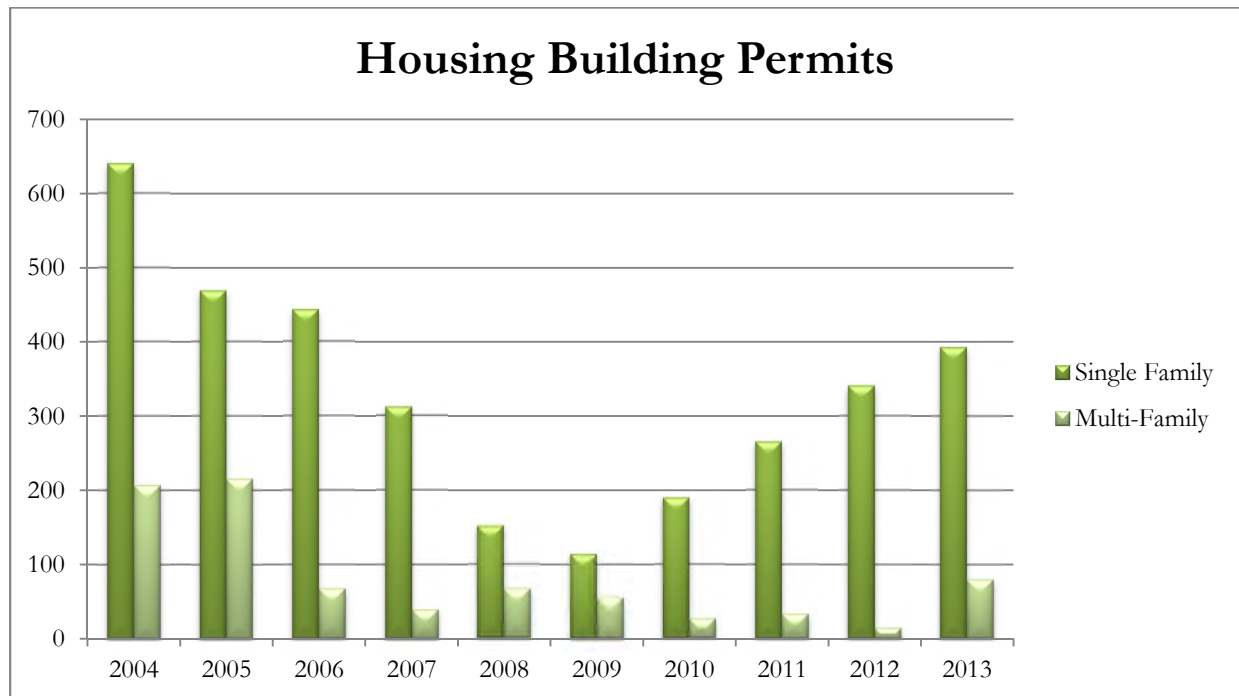
During 2013, the City issued 3,902 building permits for a combined estimated value of construction of approximately \$539.7 million. The table below highlights building permits statistics for 2004 through 2013.

Table E-4
Building Permits

<u>Year</u>	<u>Single Family</u>	<u>Multiple Dwelling</u>	<u>Commercial</u>	<u>Other</u>	<u>Total Permits</u>	<u>Total Construction Costs</u>
2013	393	80	42	3,387	3,902	\$539,658,710
2012	341	15	35	3,271	3,662	394,845,155
2011	265	34	27	3,170	3,496	222,815,705
2010	190	27	24	3,023	3,264	169,906,373
2009	114	56	44	3,031	3,245	241,206,938
2008	152	67	55	3,165	3,439	331,908,496
2007	312	40	60	3,315	3,712	441,147,673
2006	443	68	73	3,661	4,245	448,941,802
2005	469	216	72	3,324	4,081	461,493,716
2004	640	207	68	3,235	4,150	351,901,499

Source: City of Overland Park

The graph below displays the housing building permits (single family and multi-family) during the same period.



Principal Taxpayers

A list of the top ten taxpayers in the City with the highest assessed valuations on the 2013 tax roll is presented in the table below.

Table E-5
Principal Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total</u>
Corporate Woods, LLC	Office Park/Hotel	\$52,390,749	1.80%
Oak Park Mall, LLC	Shops and Malls	43,573,921	1.50%
Mept Lighton Plaza LLC	Office Building/Real Estate	13,969,752	0.50%
Central Tennessee Hospital	Hospital	11,710,245	0.40%
Privitera Realty Holdings	Office Building/Real Estate	10,844,756	0.40%
Midwest Division-OPRMC LLC	Hospital	7,992,467	0.30%
Lions Gate N/S Associates LLC	Real Estate	7,585,170	0.30%
CRP-2 Holdings, LLC	Real Estate	7,320,023	0.30%
EHD Holdings, LLC	Real Estate	7,047,001	0.20%
CRP-2 Commerce Plaza, LLC	Real Estate	6,787,252	0.20%

Source: City of Overland Park CAFR, 2013.