



The City of Lee's Summit
Final Agenda
City Council Regular Session

Thursday, May 12, 2016

6:15 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

(816) 969-1000

REGULAR SESSION NO. 2

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

1. PUBLIC COMMENTS:

(NOTE: Total time for Public Comments will be limited to 10 minutes.)

2. COUNCIL COMMENTS:

(NOTE: Total time for Council Comments will be limited to 5 minutes.)

3. APPROVAL OF CONSENT AGENDA:

Items on the Consent Agenda are routine business matters for action by the City Council with no public discussion. All items have been previously discussed in Council Committee and carry a Committee recommendation. Consent agenda items may be removed by any Councilmember for discussion as part of the regular agenda.

A. MAYORS APPOINTMENTS:

[2016-0166](#)

Mayor's Appointments:

Jackson County Board of Equalization: Reappoint Lance Dillenschneider, term to expire 5-12-17.

Public Safety Advisory Board: Reappoint Drayton Riley and Dorothy Hedrick, terms to expire 5-1-19.

Parks and Recreation Board: Reappoint Hope Davis, Melinda Aulenbach and Lawrence Bivens, terms to expire 5-31-19.

B. LIQUOR LICENSES:

- [2016-0163](#) Approval of Type G-3 and S Liquor License for Siki Japanese Restaurant, 601 NW Blue Parkway, 64063.

4. PROPOSED ORDINANCES:

- A.** [BILL NO. 16-104](#) AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.
- B.** [BILL NO. 16-105](#) AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE OFFICE OF STATE COURTS ADMINISTRATOR FOR THE ESTABLISHMENT OF A WIDE AREA NETWORK (WAN) DATA CONNECTION TO INCREASE EFFICIENCY OF THE CASE MANAGEMENT SOFTWARE.
- C.** [BILL NO. 16-106](#) AN ORDINANCE AUTHORIZING THE ISSUANCE OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000, TO PAY THE COSTS OF an INDUSTRIAL DEVELOPMENT PROJECT FOR KC SUMMIT TECHNOLOGY LLC, A DELAWARE LIMITED LIABILITY COMPANY; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

5. RESOLUTIONS:

- A.** [RES. NO. 16-11](#) A RESOLUTION APPROVING THE SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017

6. PROCLAMATIONS:

- A.** [2016-0137](#) Proclamation for Public Works Week

7. PRESENTATIONS:

- A.** [2016-0158](#) PRESENTATION of 2016 Citizens Leadership Academy
- B.** [2016-0175](#) A presentation from LS Cares in their mission to reduce marijuana related problems.

8. OTHER BUSINESS:

- A. [2016-0167](#) The 2016-17 CDBG Annual Action Plan
- B. [BILL NO. 16-107](#) AN ORDINANCE APPROVING THE CITY OF LEE'S SUMMIT ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016-2017 ANNUAL ACTION PLAN.
- C. [2016-0196](#) Presentation & Discussion - Land Clearance for Redevelopment Authority (LCRA) application & request, Minsky's Pizza, 1251 NE Rice Road

D. Election of Mayor Pro Tempore

9. COMMITTEE REPORTS (Committee chairs report on matters held in Committee):**10. COUNCIL ROUNDTABLE:****11. STAFF ROUNDTABLE:****12. ADJOURNMENT**

Unless determined otherwise by the Mayor and City Council, no new agenda items shall be considered after 11:00 p.m.

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".

Packet Information

File #: 2016-0166, **Version:** 1

Mayor's Appointments:

Jackson County Board of Equalization: Reappoint Lance Dillenschneider, term to expire 5-12-17.

Public Safety Advisory Board: Reappoint Drayton Riley and Dorothy Hedrick, terms to expire 5-1-19.

Parks and Recreation Board: Reappoint Hope Davis, Melinda Aulenbach and Lawrence Bivens, terms to expire 5-31-19.

Issue/Request:

Due to term expirations, Mayor Rhoads is requesting City Council approval of his reappointments to the Jackson County Board of Equalization, Public Safety Advisory Board and the Parks and Recreation Board.



Mayor Randall L. Rhoads

DATE: May 6, 2016
TO: City Council
FROM: Mayor Randall L. Rhoads
RE: Boards and Commissions Appointments

I am submitting the following appointments for the Council's approval:

Mayor's Appointments:

Jackson County Board of Equalization: Reappoint Lance Dillenschneider, term to expire 5-12-17.

Public Safety Advisory Board: Reappoint Drayton Riley and Dorothy Hedrick, terms to expire 5-1-19.

Parks and Recreation Board: Reappoint Hope Davis, Melinda Aulenbach and Lawrence Bivens, terms to expire 5-31-19.

Packet Information

File #: 2016-0163, **Version:** 2

Approval of Type G-3 and S Liquor License for Siki Japanese Restaurant, 601 NW Blue Parkway, 64063.

Key Issues:

New owners and managing officer.

Background:

A background check was conducted on the managing officer and partner with no negative information found.

The Director of Liquor Control recommends approval of the type G-3 and S License application for Siki Japanese Restaurant.



CITY OF LEE'S SUMMIT, MISSOURI
APPLICATION FOR BUSINESS LIQUOR LICENSE

Please mark ("x") which one of the following licenses you will need for a Lee's Summit, Missouri establishment. Sunday licenses are a separate application.

- A1 - Manufacturing, brewing malt liquor (\$300.00)
- A2 - Manufacturing, brewing non-intoxicating beer (\$375.00)
- A3 - Wholesale selling of malt liquor (\$75.00)
- A4 - Distributing, wholesale selling of non-intoxicating beer (\$75.00)
- B1 - Manufacturing 22% or less alcohol content intoxicating liquor (\$150.00)
- B2 - Manufacturing, distilling, blending intoxicating liquor of all kinds (\$300.00)
- B3 - Wholesale selling of 22% or less alcohol-content intoxicating liquor (\$150.00)
- B4 - Wholesale selling of intoxicating liquor of all kinds (\$375.00)
- C1 - General retail selling of malt liquors, or wine, or both, by the drink **and** in the original package (\$52.50)
- C2 - Hotel retail selling of malt liquor by the drink and in the original package (\$52.50)
- C3 - Restaurant retail selling of malt liquor by the drink **and** in the original package, **including Sunday sales** (\$75.00)
- D - Retail selling of malt liquor only in the original package (\$22.50)
- E - Retail selling of non-intoxicating beer by the drink **and** in the original package (\$37.50)
- F - Retail selling of non-intoxicating beer only in the original package (\$22.50)
- G1 - General retail selling of intoxicating liquor of all kinds by the drink **and** in the original package (\$450.00) (no Sunday license available)
- G2 - Hotel retail selling of intoxicating liquor of all kinds by the drink **and** in the original package (\$450.00)
- G3 - Restaurant retail selling of intoxicating liquor of all kinds by the drink **and** in the original package (\$450.00)
- H - Retail selling of intoxicating liquor of all kinds only in the original package (\$150.00);
- I - **Consuming** intoxicating liquor on premises not licensed to sell (C.O.L.) (\$90.00)
- K - **Sunday** license in conjunction with G3 (\$300.00)
- S - **Sunday** license in conjunction with H (\$300.00)

(Any reference to "Applicant" in this document refers to the Owner/Managing Officer.)

To be completed by applicant as (check one):

Sole Owner & Operator Corporation Partnership LLC

Corporation/LLC Name: QSL Inc

Business Name: SIKI JAPANESE RESTAURANT Phone: 816 525-4877

Business Address: 601 NW Blue Parkway Lee's Summit, MO 64063

(I), (We), the undersigned, hereby apply to the City of Lee's Summit, MO, for the following described license: Type 63 for the premises described above. and K

Applicant's Name: MEI FAN QIU Phone: _____

Home Address: _____

Place of Birth: _____ Date of Birth: _____

Place of Employment (other than business): None - only SIKI

Employment Address: 601 NW Blue Parkway Phone: 816-525-4877

1. List all previous addresses, if less than five years at current address: _____

2. Are you a citizen of the United States of America? Yes If naturalized, give date and place of naturalization: USDC WDMO 9/23/14

3. Will you be the person in active control and/or management (managing officer) of this business full-time? Yes. If not, give complete details on the planned management and persons involved. NA

4. Have you or any person employed by you ever held any type of liquor license issued by the City of Lee's Summit or by the licensing authority of any state, county or city? NO If so, please give details: NA

5. Has any such license listed in question #4 ever been suspended or revoked? NO If so, please give complete details: NA

6. Have you ever made application for a liquor license that was denied by the City of Lee's Summit or by the licensing authority of any state, county or city? NO If so, please give complete details: NA

7. Have you or anyone interested either directly or indirectly in the premises to be licensed hereunder or the operation thereon ever been convicted of a felony? NO If so, please give complete details: NA

8. If not a corporation/LLC, give names and business addresses of employers for the past five years. (If self-employed, state nature of business and location.): NA

9. Is the proposed location within 300 feet of a church or school? NO

10. If existing business, from whom and when was the business purchased? TA, CHSN Inc - see contract attached

Effective date of possession: now Name of mortgage holder, if any: NONE

11. Will any distiller, wholesaler, wine maker, brewer, or supplier, or coin operated, commercial, manual or mechanical amusement devices or the employees, officers or agents thereof, have any financial interest in the retail business of the applicant for the sale of alcoholic beverages, or "C.O.L.", and will the applicant directly or indirectly borrow or accept from any such persons equipment, money, credit, or property of any kind except ordinary commercial credit for liquor sold? NO If so, please explain: NA

12. Will applicant either directly or indirectly borrow or accept from any person identified in #11 either equipment, money, credit or property of any kind except ordinary commercial credit for liquor sold? NO If so, please explain: NA

13. Will you at all times permit the entry of any officer or investigator who may have legal supervisory authority for the purpose of inspection or search; and will you permit the removal of all things and articles which may be in violation of the ordinances of Lee's Summit, Missouri, and the laws of the State of Missouri; and do you promise and agree not to violate any of the ordinances of Lee's Summit, Missouri, the laws of the State of Missouri, or the United States in the conduct of the business for which the license is sought? YES

IF BUSINESS IS OWNED BY A CORPORATION, COMPLETE THIS SECTION:

Name of corporation/LLC: QSL INC

State in which incorporated: MO Date of incorporation: 1/12/16

If not a Missouri corporation/LLC, date authorized to do business in Missouri: NA

Full name, complete residential address, date of birth and Social Security Number of the President, Vice President, Treasurer and Secretary of the corporation (or Members of the LLC):

MEI FEN QIU - Pres
GUANG - ZHAO LIN - Sec

If stock is not publicly held, give names and residential addresses of all stockholders who hold 10% or more of the capital stock:

MEI FEN QIU - 75%
GUANG ZHAO LIN - 25%

County of Jackson)

ss

State of Missouri)

I, MEI FEN QIU, being of lawful age and duly sworn upon my oath, (Print Applicant's Name)

do swear that the answers and information given in this application are true and complete to the best of my

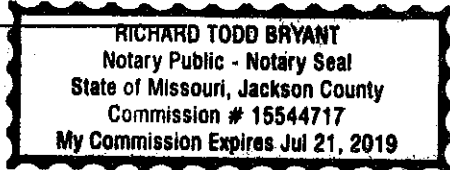
knowledge and belief.

[Signature]
Applicant's Signature

Subscribed and sworn to before me this 23 day of April, 2016

[Signature]
Notary Public

My commission expires:



To Be Provided By Applicant:

1) The Applicant and/or Managing Officer (if different) shall provide:

- ✓ a) Recent photograph;
- ✓ b) Copy of Missouri voter registration card;
- ✓ c) Copy of paid Missouri personal property tax receipt for year immediately preceding date of application
- ✓ d) Fingerprints (obtained at the Lee's Summit Police Department, Main Lobby, 10 NE Tudor Rd., Lee's Summit, MO). The Applicant and/or Managing Officer (if different) will be fingerprinted as will all officers, directors and any shareholder holding more than a ten percent (10%) interest in the business.

✓ 2) **Copy of Business License** (contact Treasury Department at 816-969-1139).

NA 3) **Copy of Zoning Approval** (contact Planning & Development at 816-969-1600).

4) **If existing business location:**

- ✓ a) Copy of lease or mortgage showing Proof of Occupancy.
- ✓ b) Recent photographs of the interior and exterior of the premises to be licensed.

5) **For newly constructed or remodeled businesses:**

- NA a) Certificate of Occupancy Permit shall be obtained prior to the actual issuance of a city liquor license (contact Codes Administration at 816-969-1200).
- b) Complete description of the plans, specifications, and fixtures of the proposed place of business.

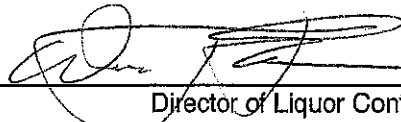
NA 6) **Package Liquor Only:** Inventory Affidavit, notarized by the applicant, stating the type of business presently engaged in, or in conjunction with, which the license shall be used; **AND** stating that in his place of business the applicant has, and at all times keeps, a stock of goods having an invoice of at least \$1,000, exclusive of fixtures and intoxicating liquors.

7) **Appropriate license fee:** Make checks and money orders payable to the City of Lee's Summit.

8) **Estimated date of opening?** ASAP

For Office Use Only:

It is recommended this application be APPROVED / DISAPPROVED this 29 day of Mar, 2016.



Director of Liquor Control

City Council Action: Approved Disapproved Date: _____



APPLICATION FOR LIQUOR LICENSE
TYPE "K" - SUNDAY SALES (\$300) (S)

The following is to be completed by the owner or managing officer:

Sole Owner & Operator Corporation Partnership

Applicant's Name: QSL Inc
Business Name: Siki Japanese Restaurant Phone: 8165254877
Business Address: 601 NW Blue Parkway Lee's Summit, MO 641063

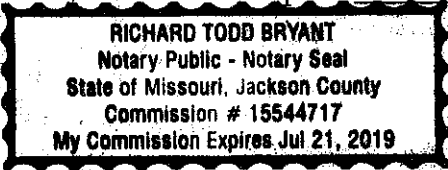
I, the undersigned, hereby make application to the City of Lee's Summit, Missouri, for a Type "K" liquor license in accordance with Chapter 4, "Alcoholic Beverages" Ordinance of the City of Lee's Summit, Missouri.

County of Jackson)
SS
State of Missouri)

I, (please print) Msi Fsu Inc, being of lawful age and duly sworn upon my oath, do swear that the answers and information given in this application are true and complete to the best of my knowledge and belief.

[Signature]
Applicant's Signature

Subscribed and sworn to before me this 25 day of April 2016
My commission expires:



[Signature]
Notary Public

It is recommended this application be APPROVED / DISAPPROVED this 2nd day of MAY, 2016.

[Signature]
Director of Liquor Control

City Council Action: Approved Disapproved Date: _____

Packet Information

File #: BILL NO. 16-104, **Version:** 1

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Issue/Request:

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Key Issues:

The Airport has received a request for permission to establish an aircraft maintenance facility in Hangar P from MJ Aviation Innovations, LLC. The Hangar meets city codes and requirements to perform this type of work. Rental would initially be 40% of the entire hangar, with plans for MJ Aviation Innovations, LLC to rent the entire hangar in one year. 60% of the existing space is currently rented for the storage of a Corporate aircraft. Lease is for 1-year with possible renewals of two years each. MJ Aviation Innovations, LLC expects to hire two more employees and need the entire Hangar P within twelve months. The initial rental rate for Hangar P will be \$738.00 per month, for an annual revenue total of \$8,856.00.

Proposed City Council Motion:

I MOVE TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

Background:

M J Aviation Innovations, LLC's sole owner-operator has been working as an employee of R&D American Aviation, LLC for the last fourteen years performing aviation maintenance services. The sole owner-operator of M J Aviation Innovations, LLC wishes to start his own aircraft maintenance operation at the Airport. The P Hangar was retro fitted for R&D American Aviation six years ago to provide a facility which met City requirements for aircraft maintenance. Since R&D American Aviation moved from Hangar P to the larger Hangar J to perform their operations, Hangar P has been under utilized. Permitting M J Aviation Innovations, LLC to start an operation in Hangar P will better utilize this facility and provide airport customers a choice of where their aircraft can be maintained.

Impact/Analysis:

M J Aviation Innovations, LLC will be able to perform aircraft maintenance on more aircraft at a time in a larger facility which is currently empty and being used for overnight storage of transient aircraft. The rental of the 40% of the space in the Hangar P will allow the operator to begin with limited space and provide the ability to rent more space as they grow. The rental as currently outlined will generate an additional \$8,800 in rent annually.

Presenter: John Ohrazda, Airport Manager

Recommendation:

STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

BILL NO. 16-104

AN ORDINANCE APPROVING A FIXED BASE OPERATOR AGREEMENT WITH MJ AVIATION INNOVATIONS, LLC FOR THE LEASE OF "HANGAR P" AT THE LEE'S SUMMIT MUNICIPAL AIRPORT FOR THE PURPOSE OF PERFORMING SERVICES AS A FIXED BASE OPERATOR (FBO) AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME WITH MJ AVIATION INNOVATIONS, LLC FOR A PERIOD OF ONE YEAR.

WHEREAS, the City of Lee's Summit owns and operates the Lee's Summit Municipal Airport (hereinafter "Airport") which includes the ownership of a number of Hangars located on the property; and,

WHEREAS, the Airport, through the City Council, periodically enters into agreements for the leasing of Hangars located on the property for various purposes; and,

WHEREAS, MJ Aviation Innovations, LLC has requested permission to establish an aircraft maintenance facility in the form of a Fixed Base Operator (FBO) and has requested to lease a portion of Hangar P from the City of Lee's Summit for that purpose; and,

WHEREAS, MJ Aviation Innovations, LLC and the Airport have negotiated the terms and conditions of a Fixed Base Operator Agreement which provides for the leasing of 40% Hangar P to MJ Aviation Innovations, LLC for a monthly fee of \$738.00 per month, and further outlines other necessary terms and conditions of the property lease as well as the expectations associated with the operation of the FBO; and,

WHEREAS, City and MJ Aviation Innovations, LLC wish to enter into the Fixed Base Operator Agreement.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Fixed Base Operator Agreement by and between the City of Lee's Summit, Missouri and MJ Aviation Innovations, LLC, for the purpose of leasing Hangar P at the Lee's Summit Municipal Airport to MJ Aviation Innovations, LLC for the operation of a FBO, a true and accurate copy being attached hereto as Exhibit "A" and incorporated herein by reference be and the same is hereby approved. The City Manager is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

BILL NO. 16-104

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this ____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED AS TO FORM:

Chief of Litigation Trevor L. Stiles



LEE'S SUMMIT
MISSOURI

**FIXED BASE OPERATOR
AGREEMENT**

Between

M J Aviation Innovations, LLC

2016

And

The City of Lee's Summit, Missouri



FIXED BASE OPERATOR AGREEMENT

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FIXED BASE OPERATOR AGREEMENT

THIS LEASE AGREEMENT is made this ___ of _____, 2016, between the City of Lee's Summit, Missouri, hereinafter called "City," and M J Aviation Innovations, LLC, a limited liability company organized and existing under the laws of the State of Missouri and authorized to do business in the State of Missouri, hereinafter called "Operator".

WITNESSETH

WHEREAS, City operates the Lee's Summit Municipal Airport, hereafter called "Airport," located in the City of Lee's Summit, Jackson County, Missouri; has the right, title and interest in and to the real property comprising the Airport; and has full power and authority to enter into this Agreement;

WHEREAS, the Operator is desirous of leasing from the City certain premises located at the Airport; and

WHEREAS, Operator agrees to comply with the Minimum Standard Requirements for Airport Aeronautical Services adopted by the City for fixed based operators at the Lee's Summit Municipal Airport and the Lee's Summit Municipal Airport Rules and Regulations for so long as this Agreement is in effect.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, City leases to Operator and Operator leases from City the following described premises and rights, subject to the following:

SECTION 1. LEASED PREMISES

Subsection 1.01 Description of Leased Premises

A. The term "Leased Premises", as referenced to in this Agreement, includes forty-percent (40%) of the total space available in the following premises located at the Lee's Summit Municipal Airport, 2751 NE Douglas; Hangar P, Lee's Summit, Missouri, 64064 for a period of one year (1) after which time consideration will be giving for the rental of the entire building.

B. The above referenced facilities are included as part of the Leased Premises in their present condition, and any improvements, together with the easements and rights thereto or as may be hereafter separately granted to effectuate the purposes of this lease, including the right of ingress thereto and egress therefrom.

C. The Operator may also use up to five (5) paved tie-downs, on an as needed basis and when available, to be used only for those aircraft that are owned, operated or under the control of the Operator. Such tie-down spaces are not specific as to location and are not for exclusive use by the Operator.

D. Upon request from the Operator and approval by the Airport Manager, the Operator may lease additional aircraft tie-downs or additional aircraft storage hangars on a daily or monthly basis for those aircraft that are owned, operated, or under the control of the Operator. Such additional tie-downs or hangars will be leased subject to the terms of this Agreement.

E. The parties agree that the Operator may, upon approval by the Airport Manager, substitute the above referenced open or enclosed aircraft storage hangars for other such hangars. The Operator may also rent additional open or enclosed aircraft storage hangars. No formal action will need to be taken by either party besides the approval of the Airport Manager. Any additional or substituted hangars will be subject to the terms of this Agreement, and the rental rate shall be the hangars current retail rate (the "Posted Rate").

SECTION 2. PURPOSE OF AGREEMENT

Subsection 2.01. Use of Leased Premises.

A. Purpose of Agreement: The purpose of this Agreement is to lease the Leased Premises to the Operator and to enable the Operator to perform Aeronautical Services as a Fixed Base Operator (FBO) at the Airport. In addition to other limitations and restrictions contained in this Agreement, the Operator agrees to the following limitations on the permitted uses of the Leased Premises:

1. The Aircraft Maintenance Facility Hangar shall only be used for the storage and maintenance of aircraft that are owned, operated, or under the control of the Operator.

B. Conditions of Granting Fixed Base Operator Status: Granting Operator the status of Fixed Based Operator is conditioned upon the following covenants:

- (1) That the right to use the public airport facilities as well as all of Operator's rights as a fixed Base Operator shall be exercised subject to and in accordance with the laws of the United States of America including regulations promulgated by the Federal Aviation Administration (FAA), the State of Missouri, and the City of Lee's Summit, now in force or afterwards ordained or promulgated including environmental legislation and regulations.
- (2) That Operator shall obtain a business license from the City prior to commencement of its Aeronautical Services.
- (3) That Operator shall provide the City with appropriate certificates of insurance in accordance with Subsection 8.02 and all relevant FAA certificates for types of services provided.
- (4) That the Operator shall comply with the Minimum Standard Requirements for Airport Aeronautical Services ("Requirements") as adopted and revised by the City. The Operator understands that this requirement is ongoing and continuing in nature, and that the Requirements are subject to future modification.

(5) That the Operator shall comply with Lee's Summit Municipal Airport Rules and Regulations.

C. Aeronautical Services. Upon execution of this agreement, the Operator is authorized to undertake and provide the following proposed Aeronautical Services: Aircraft and Power plant maintenance, repair and inspection. The rights granted by this agreement will be exercised in such a way as to not interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 2.02. No Exclusive Right. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

Subsection 2.03. Prohibited Activities. The following activities are expressly prohibited:

- A. Operator will not paint, dope or spray paint aircraft or any other items, other than minor repairs, within the Leased Premises unless specific modifications or additions have been made to the Leased Premises which provide an approved, suitable environment for such operations. All minor repair painting will be in accordance with appropriate safety and ventilation guidelines for materials used.
- B. Operator agrees not to use the Leased Premises or permit the use thereof in such manner as to make void or increase the rate of insurance thereon.
- C. The Operator is prohibited from selling or dispensing aircraft fuels. Any violation by the Operator of this subsection shall constitute a material breach of this Agreement, and shall constitute cause for immediate termination of the Agreement and repossession of the Leased Premises by the City.

SECTION 3. TERM

Subsection 3.01. Term. The Initial Term of this Agreement is one (1) years, commencing on the June 1, 2016, and terminating July 1, 2017 for 40 percent of Hangar-P. Any time during the first twelve month period the Operator wishes to lease the entire Hangar-P, the City will entertain the negotiation a new Agreement for the rental of the entire Hangar-P at a rate to be determined.

Subsection 3.02 Holdover. In the event Operator shall continue to occupy the Leased Premises beyond the initial Agreement term, or any extension thereof, without the City's written consent thereto, such holding over shall not constitute a renewal or extension of this Agreement but shall create a tenancy from month to month which may be terminated at any time by either party giving thirty (30) days written notice to the other party. The Operator shall perform and maintain its obligations under this Agreement during any holdover period, including the payment of rent in accordance with Subsection 4.01 of this Agreement.

SECTION 4. RENTALS, FEES AND RECORDS

Subsection 4.01 Rentals for Leased Premises.

A. The rental rate for the Aircraft Maintenance Facility Hangar-P is based on a rate of \$0.5125 per square foot, resulting in a rental payment of \$738.00 dollars per month for 1,440 square feet of space. The Operator's obligation to pay rent for the Aircraft Maintenance Facility Hangar shall not start until a Certificate of Occupancy has been issued for said Hangar. The first month's rent for the Hangar shall be prorated in the event that the Certificate of Occupancy for the Hangar is not issued on the first day of the month.

B. 1. Rental fees shall be adjusted following the Initial Term of this Agreement, and then after every Renewal Term thereafter, with each such adjustment to become effective upon commencement of the subsequent term. The rental rates shall be adjusted by the total change in the Consumer Price Index for All Urban Consumers, (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 equals 100) or a successor index appropriately adjusted. This shall be measured by finding the difference between the CPI-U figure for the month immediately prior to the commencement date of the Agreement or of the previous two year measuring period, and the CPI-U index figure for the same month immediately prior to the commencement of the next measuring period, as described in the example below.

2. The percent increase in the Consumer Price Index during the measuring period shall be multiplied by the annual square footage rental rate to determine the annual rent to be paid for the next two year Renewal Term. The annual rent increases shall be cumulative. For example:

FORMULA	EXAMPLE
NEW CPI (9/99)	156.91
- OLD CPI (9/94)	149.44
CPI CHANGE+	7.47
 CHANGE IN CPI = % CPI	 7.47 = (5.00%)
OLD CPI	149.44
 (% CPI + 1) X CURRENT RATE =	 (0.05 + 1) X \$0.25 = \$0.26

NEW RATE

3. Notwithstanding the adjustment calculation methodology stated above, at no time during the term of this Agreement, including any renewals thereof, will the annual square feet rental rate decrease. In the event the adjustment calculation methodology described above would result in a decrease in the annual rental rate, the Operator shall, for that measuring period under the said Renewal Term, pay an annual rental rate in the same amount as that assessed for the Renewal Term or measuring period immediately prior to the period or renewal term involving the calculated or appraised decrease. In the event that the City causes a decrease in the total square feet of the Leased Premises, the total rental amount would decrease proportionately.

Subsection 4.02. Delinquent Payments, Collection and Attorney's Fees. The Operator agrees to pay all invoices within ten (10) days after receipt. The City may establish an interest charge computed as simple interest, to be collected on the principal of all sums due and unpaid for more than ten (10) days, but such interest when assessed thereafter, shall be computed from the 11th day after invoice date. The City reserves the right to refuse to provide services, including fuel, or require payment in advance for any fuel or services at any time Operator is thirty (30) days or more delinquent on any payment. Upon payment of any delinquent amounts, the decision to provide services on an advance payment or invoice basis is at the sole discretion of the Airport Manager. In the event that collection activities, including litigation, are used in order to recover past due amounts owed, the City shall be entitled to recover its collections costs, including its reasonable attorney's fees.

Subsection 4.03 Fees for Ramp Tie-Downs and Other Services. Open ramp aircraft tie-downs shall be charged at a rate of fifty percent (50%) of the retail rate (the "Posted Rate") for aircraft under the care of the Operator. The charge for towing services shall be at 50% of the Posted Rate. Any special services not available or required by other Airport patrons will have rates determined on a case by case basis.

Subsection 4.06. Books and Records of Operator. There are no books and records requirements under this Agreement.

Subsection 4.07. Audit. There are no audit requirements under this Agreement.

SECTION 5. OBLIGATIONS OF OPERATOR

Subsection 5.01. Operations by Operator: Operator agrees:

- A. To promote aviation activity on the Airport and to conduct operations on the Leased Premises in a proper, efficient and courteous manner.

- B. That all services shall be furnished on a fair, equal and nondiscriminatory basis to all users, and that only fair, reasonable and nondiscriminatory prices for each unit of sale or service will be charged. Operator may, however, make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers.
- C. To furnish those Aeronautical Services listed heretofore and to receive written approval from the Airport Manager of all Operator's operations, signs, etc. thirty (30) days before start-up of any additional Aeronautical Services or cessation of any or all approved Aeronautical Services.
- D. To supply the Airport Manager with a list of its employees or associated personnel names, job titles and duties, and their emergency telephone numbers and addresses.
- E. To not execute an agreement with any subcontractor to perform the Operator's Aeronautical Services without written approval of the City and to insert in all subcontracts a provision requiring the subcontractors to comply with applicable provisions of this agreement and further provide in each subcontract a statement "that nothing contained in these conditions shall create any contractual relationship between the subcontractor and the City."
- F. To provide the City with a list by "N" number and type of all aircraft owned or operated by Operator and to provide a written revision of said list within seven (7) days of any aircraft changes.
- G. To follow the procedures of National Fire Protection Association when draining residual fuel from aircraft tanks incidental to aircraft fuel system maintenance, testing, manufacturing, salvage, or recovery operations
- H. To store any paints, cleaners or other flammable liquids in an approved storage locker.
- I. Follow all Homeland Security requirements and Transportation Security Administration recommendations, as amended, as they pertain to registering and recording new student pilots and pilot rating upgrades.

Subsection 5.02 Nondiscrimination. Operator, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (A) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (B) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (C) that Operator shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to Operator.

Subsection 5.03. Fair Service. The Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the Operator may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Subsection 5.04. Observance of Statutes, etc. The granting of this Agreement and its acceptance by Operator is conditioned upon the right to use the Airport facilities in common with others authorized to do so. The Operator shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Operator for its use of the leased premises, including but not limited to, rules and regulations promulgated from time to time by the City for the administration of the Airport. The Operator shall also defend, reimburse, indemnify and hold harmless the City, its agents, employees and elected officials, including costs of defense, from any claims, demands, penalties or liability which may accrue to it because of any alleged violation or noncompliance with any such statute, ordinance, rule or standard by the Operator or resulting from Operator's activities hereunder.

SECTION 6. OBLIGATIONS OF THE CITY

Subsection 6.01. Operation as a Public Airport. The City reserves the right to discontinue use of the Airport as an airport. The City covenants and agrees that as long as the City continues to use the Airport as an airport it will operate and maintain the Airport consistent with and pursuant to the Sponsor's Assurances given by the City to the United States Government under the Federal Aviation Act, subject to the City's Reservations set forth in this Agreement.

SECTION 7. CITY'S RESERVATIONS

Subsection 7.01. Free and Unrestricted Flight. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or thereafter used for navigation of or flight in the air using said airspace or landing, taking off from, or operating on or about the Airport.

Subsection 7.02. Subordination to U.S. Government. This Agreement shall be subordinate to the provisions of any existing or future agreements between City and the United States or any agency thereof, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City for Federal funds for the development of the Airport.

Subsection 7.03 Improvement, Relocation, or Removal of Structures. The City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport (including, without limitation, the Leased Premises), including the right to remove or relocate any structure on the Airport as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent the Operator from erecting or permitting to be erected, any buildings or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. The City further reserves the right to take any of the aforementioned actions regardless of the desire or views of the Operator, without interference or hindrance by the Operator and without obligation to abate rent or otherwise provide relief of be liable to the Operator for any harm or inconvenience from disruption of Airport operations resulting from such actions. Notwithstanding the forgoing, in the event that the City closes the Airport Administrative Building, the Office Premises shall cease to be a part of the Leased Premises as of the date of such closing and this Agreement shall be deemed to be terminated, as to the Office Premises only, as of the date of such closing. In the event that the City closes the Airport Administrative Building because of the construction of a replacement Airport Administrative Building, the City will use its best efforts to secure office space for Operator, subject to the terms of this Agreement, in: 1) the replacement Airport Administrative Building; and 2) any temporary office space made available by the City during the construction of the replacement Airport Administrative Building.

Subsection 7.04. Inspection of Leased Premises. The City, through its duly authorized agent, shall have at any reasonable time, the full and unrestricted right to enter the Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

Subsection 7.05. War or National Emergency. During the time of war or national emergency, the City shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended.

SECTION 8. INDEMNITY AND INSURANCE

Subsection 8.01. Indemnification. Operator agrees to protect, defend, indemnify, and hold the City, its employees, and the City of Lee's Summit, and its officers employees, elected officials in their official and personal capacities, and attorneys, completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement or the use or occupancy of the Leased Premises, or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage

is caused solely by the negligence or willful misconduct of the City, or its officers and employees. This duty shall also extend to claims of damages to the environment caused by Operator, including but not limited to the investigation, field study, and clean up costs assessed by any federal, state or local agency against the City of Lee's Summit or any of its agents or employees, as well as any civil fine or penalty. The City shall give to the Operator reasonable notice of any such claims or actions. The provisions of this Section shall survive the expiration or early termination of this Agreement. The duties of the Operator specified herein shall not be limited by the amount of any insurance coverage required to be provided by the Operator herein, but shall extend to the full amount of any such claim or liability. This duty shall also not be limited by the provision of any workers' compensation coverage.

Subsection 8.02 Insurance Requirements. Operator shall, at its expense, procure and keep in force at all times during the term of this Agreement, from a financially sound and reputable company acceptable to the City, all types of insurance required pursuant to the City's Minimum Standard Requirements for Aeronautical Services, Appendix 1, *Minimum Insurance Policy Requirements*, as revised January 8, 2015, in amounts at least equal to the minimum amounts specified therein, unless specified otherwise in this sub-section, insuring Operator for bodily injury and property damage, and such other insurance necessary to protect the Operator from all such claims and actions described in the preceding section 8.01. Without limiting its liability, Operator also agrees to carry and keep in force insurance with single limit liability for bodily injury or death and property damage in a sum not less than \$1,000,000 per occurrence, together with the following specific limitations per occurrence: 1) Airport operations- minimum of \$1,000,000 per occurrence; and 2) Products and Completed Operations- minimum of \$100,000 per occurrence. Operator also agrees to carry and keep in force Hangarkeeper's Liability insurance coverage of not less than \$100,000 per aircraft and not less than \$250,000 per occurrence. Operator recognizes that the required amounts of coverage set forth above are the minimum limits, and may not reflect the Operator's actual risk. Operator shall furnish the City with a certificate of insurance as evidence of coverage. Said insurance policies shall not be canceled or materially modified or non-renewed except upon thirty (30) days advance written notice to the City. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost. Operator further agrees to name the City as an additional insured on all applicable policies, with the exception of the policy endorsement covering hired and non-owned automobiles. Operator further agrees to increase its insurance coverage, if necessary, to ensure coverage for all approved Aeronautical Services and if Operator adds any Aeronautical Services not identified in Subsection 2.01(C).

Subsection 8.03 Insurance Notification. Operator shall file a certificate of insurance with the City evidencing that Operator has procured all required insurance coverage and that said insurance coverage will not be canceled without thirty (30) day advance written notice to the City. This agreement will not be executed or renewed by the City until such proof of coverage has been received, reviewed and accepted by the City.

SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR

Subsection 9.01. Termination. Unless renewed by the Operator as described in Subsection 3.01, this Agreement shall terminate at the end of the term, or at such time as written notice of termination is provided by either party as provided in Subsection 9.02 or Subsection 10.02.

Subsection 9.02. Termination by Operator. Operator, in addition to any other rights it has under the law, may terminate this Agreement and terminate its obligations hereunder (excluding such obligations that survive the expiration or termination of this Agreement) at any time that Operator is not in default in the payment of rentals and/or fees to the City by giving the City sixty (60) days advance written notice to be served as hereinafter upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, so as to substantially affect Operator's use of the system at the Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; provided, however, that such injunction is not due to Operator's operation at the Airport.
- B. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to undertake and be continuing to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of Operator's notice of termination.
- C. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities or any substantial part or parts thereof, in a manner as substantially to restrict Operator for a period of at least sixty (60) days from full use of its leased premises, and in that event, a just and proportionate part of the rent hereunder shall be abated.

SECTION 10. TERMINATION OF AGREEMENT BY CITY

Subsection 10.01. Termination by the City. The City, in addition to any other rights to which it may be entitled by law, may declare this Agreement terminated in its entirety as provided in Subsection 10.02 upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises. These events are as follows:

- A. The completion of the initial or any subsequent term without written notice of Operator's intention to enter into a subsequent term extension.
- B. The failure to pay all installments of fees then due (with interest) within thirty (30) days after receipt by Operator of written notice from the City to pay such rent.

- C. The filing by Operator of a voluntary petition in bankruptcy or the making of any assignment of all or any part of Operator's assets for benefit of creditors.
- D. The filing of an involuntary bankruptcy petition against the Operator as a bankrupt pursuant to any involuntary bankruptcy proceedings.
- E. The taking of jurisdiction by a court of competent jurisdiction of Operator or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- F. The appointment of a receiver or a trustee of Operator's assets by a court of competent jurisdiction or a voluntary agreement with Operator's creditors.
- G. The breach by Operator of any of the covenants or agreements herein contained, and the failure of Operator to remedy such breach within 30 days after receipt of written notice of such breach from the City.
- H. The abandonment of the Leased Premises.
- I. The breach of any one of the covenants contained in Subsection 2.03.C., in which case the provisions of Subsection 10.02 concerning notice to the Operator of the breach and time to cure said breach shall not apply.
- J. The Operator, its principles, directors, owners or agents, transfers, sells or otherwise conveys an ownership interest in the Operator greater than 50%.
- K. The City's discontinuation of use of the Airport as an airport.

Subsection 10.02. Termination Notice. In the event the City exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Section, a notice of cancellation shall be sufficient to cancel this Agreement; and, upon such cancellation, Operator hereby agrees that it will forthwith cease all FBO services defined and approved herein. The City shall provide written notice of its intent to terminate the Agreement to the Operator a minimum of sixty (60) days prior to the date of termination, except for termination as described in Subsection 10.01I. Failure of the City to declare this Agreement terminated for any of the reasons set out shall not operate to bar, destroy, or waive the right of the City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

SECTION 11. ASSIGNMENT AND SUBLETTING

Subsection 11.01. Assignment. Operator shall not assign this Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the City. In the event of such assignment, Operator shall remain liable to the City for the remainder of the term of the Agreement to pay to the City any portion of the rentals or fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall

not assign said Agreement except with the prior written approval of the City and the Operator herein, and any assignment by the Operator shall contain a clause to this effect. The City shall not unreasonably withhold its consent to any assignment, transfer or delegation by the Operator of its privileges and obligations under this Agreement to any successor, parent organization, wholly owned subsidiary or affiliate of the Operator.

Subsection 11.02 Subletting. The Operator shall not have the right to sublease all or part of the Leased Premises subject to the following conditions:

- A. No sublease or rental for the performance of FBO or Special Aviation Services Operator (SASO) services, the engagement of any aviation-related commercial activity upon the Leased Premises, or for any aviation-related commercial purposes shall be valid unless the sublessee has executed a separate Fixed Based Operator Agreement with the City; and
- B. No sublease or rental for the performance of non aviation-related services or operations on the Leased Premises shall be valid unless the sublessee has executed a General Services Provider Agreement with the City.

SECTION 12. GENERAL PROVISIONS

Subsection 12.01. The City shall maintain and keep in repair the Airport landing areas, including taxiways and aircraft parking apron and shall have the right to direct and control all activities of the Operator in this regard.

Subsection 12.02. Attorney's Fees. In any action brought by either party for the enforcement or the construction of the terms of this Agreement, the City, if it is a prevailing party in the action, shall be entitled to recover interest and its reasonable attorney's fees and litigation expenses, including, but not limited to, expert witness fees and expenses.

Subsection 12.03. Taxes. Operator shall pay any personal property taxes and other taxes which may be assessed against equipment, merchandise, or other personal property belonging to Operator located on the Leased Premises, or other permitted portions of the Airport, or upon Operator's activities thereupon.

Subsection 12.05. License Fees and Permits. Operator shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Subsection 12.06. Non-Exclusive Rights. It is hereby specifically understood and agreed between the parties that nothing contained hereby shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended; and the City reserves the right to grant to others the privilege and right of conducting any one or all of the Aeronautical Services listed herein or any other activity of an aeronautical nature.

Subsection 12.07. Paragraph Headings. The paragraph headings contained herein are for

convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

Subsection 12.08. Applicable Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Missouri. Should any part of this Agreement be adjudicated, jurisdiction and venue shall be proper only in the Circuit Court of Jackson County, Missouri.

Subsection 12.09. Non-Waiver. No waiver of any condition or covenant contained in this Agreement or of any breach thereof shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

Subsection 12.10. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Subsection 12.11. Binding Effect. This Agreement, including all of its covenants, terms, provisions, and conditions, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Subsection 12.12. No Partnership. Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any relationship between the City and Operator other than the relationship of the City and Operator.

Subsection 12.13. Duty to be Reasonable. Wherever in this Agreement the City is to give its consent, approval or otherwise exercise discretion in judgment, such consent, approval or judgment shall not be unreasonably exercised or unreasonably withheld.

Subsection 12.14. City Agent. The City Manager shall be considered the agent and representative of the City with respect to all notices, approvals and matters contained hereunder, and his authority to act for and on behalf of the City in connection with all matters occurring under this Agreement shall not be questioned by the Operator.

Subsection 12.15. Non-Liability of Individuals. No director, officer, agent, elected official or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. This Subsection 12.15 shall have no application to any independent guaranty or other assumption of the obligations of Operator which may be obtained by the City relative to this Agreement. This Subsection 12.15 shall also not apply to the Operator if the Operator is an entity other than a corporation in good standing and authorized to conduct business in the state of Missouri.

Subsection 12.16. Personal Property. Operator shall maintain the Leased Premises in a clean and orderly condition. Upon termination of this Agreement, Operator shall remove all personal property from the Leased Premises within thirty (30) days after said termination, unless otherwise agreed to, in writing, by the parties, and restore the leased premises to its original condition. If the Operator fails to remove said personal property within the aforementioned time frame, the City may take immediate possession of any property remaining on the Leased Premises and shall, at the City's sole option, become the property of the City or same may be removed and/or disposed of in any manner deemed appropriate by the City. The City shall not be liable in any manner for such removal and/or disposal; and the cost and expense of such removal and/or disposition shall be paid by the Operator.

Subsection 12.17. Casualty. If either part of the Leased Premises (i.e. the Office Premises or Building-P) is damaged by fire or other insured casualty, the rent payable hereunder for such damaged premises shall not abate provided that the damaged premises are not rendered untenable by such damage. If the damaged premises are rendered untenable and the City elects to repair the damaged premises, the rent shall abate for the period during which such repairs are being made, provided the damages were not caused by the acts or omissions of the Operator, its employees, agents or invitees, in which case the rent shall not abate. If the damaged premises are rendered untenable and the City elects not to repair the damaged premises, this Agreement shall terminate upon written notice from the City. If this Agreement is terminated by reason of fire or other insured casualty as herein provided, rent shall be apportioned and paid to the day of such fire or other insured casualty. Notwithstanding the forgoing, termination of the Agreement under this subsection shall not preclude the negotiation of a new agreement for alternate premises.

Subsection 12.18. Maintenance. City will keep the exterior of the Leased Premises in repair, provided that Operator shall give City written notice of the necessity for such repairs, and provided that the damage thereto shall not have been caused by the carelessness or negligence of Operator, its agents, employees, or servants, in which event Operator shall be responsible therefore. Operator will keep the interior of the Leased Premises in good repair and will surrender the Leased Premises at the expiration of the term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear.

Subsection 12.19. Utilities the Operator shall be responsible for payment of half of the utility costs associated with the provision of electricity, water and propane to Building-P.

Subsection 12.20. Notices. Whenever any notice is required by this Agreement to be made, given or transmitted to the City, it shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, first class, addressed to:

Airport Manager
Lee's Summit Municipal Airport
2751 NE Douglas
Lee's Summit, Missouri 64064

with a copy to the City Attorney, City of Lees Summit, 220 SE Green St., Lee's Summit, MO 64063.

Notices to Operator shall be addressed to:

M J Aviation Innovations, LLC
416 SW Killarney Lane
Blue Springs, Missouri 64014
Attn. Matthew White

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above, or in the case of delivery by the City to the Operator, by posting said item conspicuously on the leased premises. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, or posted on the leased premises, the item shall be considered received the third day after the date of posting.

Subsection 12.21. Prohibition against Interference. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at Lee's Summit, Missouri.

CITY OF LEE'S SUMMIT,

Stephen Arbo,
City Manager

Approved as to form:

Trevor L. Stiles, Assistant City Attorney

ATTEST:

City Clerk

OPERATOR: M J Aviation Innovations, LLC

Signature: _____

Title: _____

[The remainder of this page is intentionally left blank.]

M J Aviation Innovations, LLC
STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this _____ day of _____, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, the _____ of M J Aviation Innovations, LLC who is personally known to me to be the same person who executed the within instrument on behalf of _____ of M J Aviation Innovations, LLC , and such person duly acknowledged the execution of the same to be the free act and deed of M J Aviation Innovations, LLC.

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

NOTARY PUBLIC

My Commission Expires:

[SEAL]

ON THIS THE _____ day of _____, 2016, before me _____, a Notary Public in and for said state, personally appeared _____ of the City of Lee's Summit, Missouri, known to me to be the person who executed the within Agreement and acknowledged to me that he executed the Agreement for the purposes therein stated and as the free act and deed of the City of Lee's Summit, a municipal corporation.

WITNESS my hand and official seal in the County and State aforesaid, the day and year first above written.

/s/ _____
Notary Public Signature

Printed or Typed Name

(Seal)

My Commission Expires:

**FIXED BASE OPERATOR
AGREEMENT**

Between

M J Aviation Innovations, LLC

2016

And

The City of Lee's Summit, Missouri

FIXED BASE OPERATOR AGREEMENT

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FIXED BASE OPERATOR AGREEMENT

THIS LEASE AGREEMENT is made this ___ of _____, 2016, between the City of Lee's Summit, Missouri, hereinafter called "City," and M J Aviation Innovations, LLC, a limited liability company organized and existing under the laws of the State of Missouri and authorized to do business in the State of Missouri, hereinafter called "Operator".

WITNESSETH

WHEREAS, City operates the Lee's Summit Municipal Airport, hereafter called "Airport," located in the City of Lee's Summit, Jackson County, Missouri; has the right, title and interest in and to the real property comprising the Airport; and has full power and authority to enter into this Agreement;

WHEREAS, the Operator is desirous of leasing from the City certain premises located at the Airport; and

WHEREAS, Operator agrees to comply with the Minimum Standard Requirements for Airport Aeronautical Services adopted by the City for fixed based operators at the Lee's Summit Municipal Airport and the Lee's Summit Municipal Airport Rules and Regulations for so long as this Agreement is in effect.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, City leases to Operator and Operator leases from City the following described premises and rights, subject to the following:

SECTION 1. LEASED PREMISES

Subsection 1.01 Description of Leased Premises

A. The term "Leased Premises", as referenced to in this Agreement, includes forty-percent (40%) of the total space available in the following premises located at the Lee's Summit Municipal Airport, 2751 NE Douglas; Hangar P, Lee's Summit, Missouri, 64064 for a period of one year (1) after which time consideration will be giving for the rental of the entire building.

B. The above referenced facilities are included as part of the Leased Premises in their present condition, and any improvements, together with the easements and rights thereto or as may be hereafter separately granted to effectuate the purposes of this lease, including the right of ingress thereto and egress therefrom.

C. The Operator may also use up to five (5) paved tie-downs, on an as needed basis and when available, to be used only for those aircraft that are owned, operated or under the control of the Operator. Such tie-down spaces are not specific as to location and are not for exclusive use by

the Operator.

D. Upon request from the Operator and approval by the Airport Manager, the Operator may lease additional aircraft tie-downs or additional aircraft storage hangars on a daily or monthly basis for those aircraft that are owned, operated, or under the control of the Operator. Such additional tie-downs or hangars will be leased subject to the terms of this Agreement.

E. The parties agree that the Operator may, upon approval by the Airport Manager, substitute the above referenced open or enclosed aircraft storage hangars for other such hangars. The Operator may also rent additional open or enclosed aircraft storage hangars. No formal action will need to be taken by either party besides the approval of the Airport Manager. Any additional or substituted hangars will be subject to the terms of this Agreement, and the rental rate shall be the hangars current retail rate (the "Posted Rate").

SECTION 2. PURPOSE OF AGREEMENT

Subsection 2.01. Use of Leased Premises.

A. Purpose of Agreement: The purpose of this Agreement is to lease the Leased Premises to the Operator and to enable the Operator to perform Aeronautical Services as a Fixed Base Operator (FBO) at the Airport. In addition to other limitations and restrictions contained in this Agreement, the Operator agrees to the following limitations on the permitted uses of the Leased Premises:

1. The Aircraft Maintenance Facility Hangar shall only be used for the storage and maintenance of aircraft that are owned, operated, or under the control of the Operator.

B. Conditions of Granting Fixed Base Operator Status: Granting Operator the status of Fixed Based Operator is conditioned upon the following covenants:

(1) That the right to use the public airport facilities as well as all of Operator's rights as a fixed Base Operator shall be exercised subject to and in accordance with the laws of the United States of America including regulations promulgated by the Federal Aviation Administration (FAA), the State of Missouri, and the City of Lee's Summit, now in force or afterwards ordained or promulgated including environmental legislation and regulations.

(2) That Operator shall obtain a business license from the City prior to commencement of its Aeronautical Services.

(3) That Operator shall provide the City with appropriate certificates of insurance in accordance with Subsection 8.02 and all relevant FAA certificates for types of services provided.

(4) That the Operator shall comply with the Minimum Standard Requirements for Airport Aeronautical Services ("Requirements") as adopted and revised by the City. The Operator

understands that this requirement is ongoing and continuing in nature, and that the Requirements are subject to future modification.

(5) That the Operator shall comply with Lee's Summit Municipal Airport Rules and Regulations.

C. Aeronautical Services. Upon execution of this agreement, the Operator is authorized to undertake and provide the following proposed Aeronautical Services: Aircraft and Power plant maintenance, repair and inspection. The rights granted by this agreement will be exercised in such a way as to not interfere with or adversely affect the use, operation, maintenance or development of the Airport.

Subsection 2.02. No Exclusive Right. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

Subsection 2.03. Prohibited Activities. The following activities are expressly prohibited:

- A. Operator will not paint, dope or spray paint aircraft or any other items, other than minor repairs, within the Leased Premises unless specific modifications or additions have been made to the Leased Premises which provide an approved, suitable environment for such operations. All minor repair painting will be in accordance with appropriate safety and ventilation guidelines for materials used.
- B. Operator agrees not to use the Leased Premises or permit the use thereof in such manner as to make void or increase the rate of insurance thereon.
- C. The Operator is prohibited from selling or dispensing aircraft fuels. Any violation by the Operator of this subsection shall constitute a material breach of this Agreement, and shall constitute cause for immediate termination of the Agreement and repossession of the Leased Premises by the City.

SECTION 3. TERM

Subsection 3.01. Term. The Initial Term of this Agreement is one (1) years, commencing on the June 1, 2016, and terminating July 1, 2017 for 40 percent of Hangar-P. Any time during the first twelve month period the Operator wishes to lease the entire Hangar-P, the City will entertain the negotiation a new Agreement for the rental of the entire Hangar-P at a rate to be determined.

Subsection 3.02 Holdover. In the event Operator shall continue to occupy the Leased Premises beyond the initial Agreement term, or any extension thereof, without the City's written consent thereto, such holding over shall not constitute a renewal or extension of this Agreement but shall create a tenancy from month to month which may be terminated at any time by either party

giving thirty (30) days written notice to the other party. The Operator shall perform and maintain its obligations under this Agreement during any holdover period, including the payment of rent in accordance with Subsection 4.01 of this Agreement.

SECTION 4. RENTALS, FEES AND RECORDS

Subsection 4.01 Rentals for Leased Premises.

A. The rental rate for the Aircraft Maintenance Facility Hangar-P is based on a rate of \$0.5125 per square foot, resulting in a rental payment of \$738.00 dollars per month for 1,440 square feet of space. The Operator’s obligation to pay rent for the Aircraft Maintenance Facility Hangar shall not start until a Certificate of Occupancy has been issued for said Hangar. The first month’s rent for the Hangar shall be prorated in the event that the Certificate of Occupancy for the Hangar is not issued on the first day of the month.

B. 1. Rental fees shall be adjusted following the Initial Term of this Agreement, and then after every Renewal Term thereafter, with each such adjustment to become effective upon commencement of the subsequent term. The rental rates shall be adjusted by the total change in the Consumer Price Index for All Urban Consumers, (CPI-U) all items, published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 equals 100) or a successor index appropriately adjusted. This shall be measured by finding the difference between the CPI-U figure for the month immediately prior to the commencement date of the Agreement or of the previous two year measuring period, and the CPI-U index figure for the same month immediately prior to the commencement of the next measuring period, as described in the example below.

2. The percent increase in the Consumer Price Index during the measuring period shall be multiplied by the annual square footage rental rate to determine the annual rent to be paid for the next two year Renewal Term. The annual rent increases shall be cumulative. For example:

FORMULA	EXAMPLE
NEW CPI (9/99)	156.91
- OLD CPI (9/94)	149.44
CPI CHANGE+	7.47
CHANGE IN CPI = % CPI	7.47 = (5.00%)
OLD CPI	149.44
(% CPI + 1) X CURRENT RATE =	(0.05 + 1) X \$0.25 = \$0.26
NEW RATE	

3. Notwithstanding the adjustment calculation methodology stated above, at no time during the term of this Agreement, including any renewals thereof, will the annual

square feet rental rate decrease. In the event the adjustment calculation methodology described above would result in a decrease in the annual rental rate, the Operator shall, for that measuring period under the said Renewal Term, pay an annual rental rate in the same amount as that assessed for the Renewal Term or measuring period immediately prior to the period or renewal term involving the calculated or appraised decrease. In the event that the City causes a decrease in the total square feet of the Leased Premises, the total rental amount would decrease proportionately.

Subsection 4.02. Delinquent Payments, Collection and Attorney's Fees. The Operator agrees to pay all invoices within ten (10) days after receipt. The City may establish an interest charge computed as simple interest, to be collected on the principal of all sums due and unpaid for more than ten (10) days, but such interest when assessed thereafter, shall be computed from the 11th day after invoice date. The City reserves the right to refuse to provide services, including fuel, or require payment in advance for any fuel or services at any time Operator is thirty (30) days or more delinquent on any payment. Upon payment of any delinquent amounts, the decision to provide services on an advance payment or invoice basis is at the sole discretion of the Airport Manager. In the event that collection activities, including litigation, are used in order to recover past due amounts owed, the City shall be entitled to recover its collections costs, including its reasonable attorney's fees.

Subsection 4.03 Fees for Ramp Tie-Downs and Other Services. Open ramp aircraft tie-downs shall be charged at a rate of fifty percent (50%) of the retail rate (the "Posted Rate") for aircraft under the care of the Operator. The charge for towing services shall be at 50% of the Posted Rate. Any special services not available or required by other Airport patrons will have rates determined on a case by case basis.

Subsection 4.06. Books and Records of Operator. There are no books and records requirements under this Agreement.

Subsection 4.07. Audit. There are no audit requirements under this Agreement.

SECTION 5. OBLIGATIONS OF OPERATOR

Subsection 5.01. Operations by Operator: Operator agrees:

- A. To promote aviation activity on the Airport and to conduct operations on the Leased Premises in a proper, efficient and courteous manner.
- B. That all services shall be furnished on a fair, equal and nondiscriminatory basis to all users, and that only fair, reasonable and nondiscriminatory prices for each unit of sale or service will be charged. Operator may, however, make reasonable and nondiscriminatory discounts, rebates or other similar price reductions to volume purchasers.

- C. To furnish those Aeronautical Services listed heretofore and to receive written approval from the Airport Manager of all Operator's operations, signs, etc. thirty (30) days before start-up of any additional Aeronautical Services or cessation of any or all approved Aeronautical Services.
- D. To supply the Airport Manager with a list of its employees or associated personnel names, job titles and duties, and their emergency telephone numbers and addresses.
- E. To not execute an agreement with any subcontractor to perform the Operator's Aeronautical Services without written approval of the City and to insert in all subcontracts a provision requiring the subcontractors to comply with applicable provisions of this agreement and further provide in each subcontract a statement "that nothing contained in these conditions shall create any contractual relationship between the subcontractor and the City."
- F. To provide the City with a list by "N" number and type of all aircraft owned or operated by Operator and to provide a written revision of said list within seven (7) days of any aircraft changes.
- G. To follow the procedures of National Fire Protection Association when draining residual fuel from aircraft tanks incidental to aircraft fuel system maintenance, testing, manufacturing, salvage, or recovery operations
- H. To store any paints, cleaners or other flammable liquids in an approved storage locker.
- I. Follow all Homeland Security requirements and Transportation Security Administration recommendations, as amended, as they pertain to registering and recording new student pilots and pilot rating upgrades.

Subsection 5.02 Nondiscrimination. Operator, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (A) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (B) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (C) that Operator shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to Operator.

Subsection 5.03. Fair Service. The Operator agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly

discriminatory prices for each unit or service; provided, that the Operator may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Subsection 5.04. Observance of Statutes, etc. The granting of this Agreement and its acceptance by Operator is conditioned upon the right to use the Airport facilities in common with others authorized to do so. The Operator shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Operator for its use of the leased premises, including but not limited to, rules and regulations promulgated from time to time by the City for the administration of the Airport. The Operator shall also defend, reimburse, indemnify and hold harmless the City, its agents, employees and elected officials, including costs of defense, from any claims, demands, penalties or liability which may accrue to it because of any alleged violation or noncompliance with any such statute, ordinance, rule or standard by the Operator or resulting from Operator's activities hereunder.

SECTION 6. OBLIGATIONS OF THE CITY

Subsection 6.01. Operation as a Public Airport. The City reserves the right to discontinue use of the Airport as an airport. The City covenants and agrees that as long as the City continues to use the Airport as an airport it will operate and maintain the Airport consistent with and pursuant to the Sponsor's Assurances given by the City to the United States Government under the Federal Aviation Act, subject to the City's Reservations set forth in this Agreement.

SECTION 7. CITY'S RESERVATIONS

Subsection 7.01. Free and Unrestricted Flight. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or thereafter used for navigation of or flight in the air using said airspace or landing, taking off from, or operating on or about the Airport.

Subsection 7.02. Subordination to U.S. Government. This Agreement shall be subordinate to the provisions of any existing or future agreements between City and the United States or any agency thereof, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City for Federal funds for the development of the Airport.

Subsection 7.03 Improvement, Relocation, or Removal of Structures. The City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other

portions of the Airport (including, without limitation, the Leased Premises), including the right to remove or relocate any structure on the Airport as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent the Operator from erecting or permitting to be erected, any buildings or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. The City further reserves the right to take any of the aforementioned actions regardless of the desire or views of the Operator, without interference or hindrance by the Operator and without obligation to abate rent or otherwise provide relief of be liable to the Operator for any harm or inconvenience from disruption of Airport operations resulting from such actions. Notwithstanding the forgoing, in the event that the City closes the Airport Administrative Building, the Office Premises shall cease to be a part of the Leased Premises as of the date of such closing and this Agreement shall be deemed to be terminated, as to the Office Premises only, as of the date of such closing. In the event that the City closes the Airport Administrative Building because of the construction of a replacement Airport Administrative Building, the City will use its best efforts to secure office space for Operator, subject to the terms of this Agreement, in: 1) the replacement Airport Administrative Building; and 2) any temporary office space made available by the City during the construction of the replacement Airport Administrative Building.

Subsection 7.04. Inspection of Leased Premises. The City, through its duly authorized agent, shall have at any reasonable time, the full and unrestricted right to enter the Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

Subsection 7.05. War or National Emergency. During the time of war or national emergency, the City shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended.

SECTION 8. INDEMNITY AND INSURANCE

Subsection 8.01. Indemnification. Operator agrees to protect, defend, indemnify, and hold the City, its employees, and the City of Lee's Summit, and its officers employees, elected officials in their official and personal capacities, and attorneys, completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement or the use or occupancy of the Leased Premises, or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused solely by the negligence or willful misconduct of the City, or its officers and

employees. This duty shall also extend to claims of damages to the environment caused by Operator, including but not limited to the investigation, field study, and clean up costs assessed by any federal, state or local agency against the City of Lee's Summit or any of its agents or employees, as well as any civil fine or penalty. The City shall give to the Operator reasonable notice of any such claims or actions. The provisions of this Section shall survive the expiration or early termination of this Agreement. The duties of the Operator specified herein shall not be limited by the amount of any insurance coverage required to be provided by the Operator herein, but shall extend to the full amount of any such claim or liability. This duty shall also not be limited by the provision of any workers' compensation coverage.

Subsection 8.02 Insurance Requirements. Operator shall, at its expense, procure and keep in force at all times during the term of this Agreement, from a financially sound and reputable company acceptable to the City, all types of insurance required pursuant to the City's Minimum Standard Requirements for Aeronautical Services, Appendix 1, *Minimum Insurance Policy Requirements*, as revised January 8, 2015, in amounts at least equal to the minimum amounts specified therein, unless specified otherwise in this sub-section, insuring Operator for bodily injury and property damage, and such other insurance necessary to protect the Operator from all such claims and actions described in the preceding section 8.01. Without limiting its liability, Operator also agrees to carry and keep in force insurance with single limit liability for bodily injury or death and property damage in a sum not less than \$1,000,000 per occurrence, together with the following specific limitations per occurrence: 1) Airport operations- minimum of \$1,000,000 per occurrence; and 2) Products and Completed Operations- minimum of \$100,000 per occurrence. Operator also agrees to carry and keep in force Hangarkeeper's Liability insurance coverage of not less than \$100,000 per aircraft and not less than \$250,000 per occurrence. Operator recognizes that the required amounts of coverage set forth above are the minimum limits, and may not reflect the Operator's actual risk. Operator shall furnish the City with a certificate of insurance as evidence of coverage. Said insurance policies shall not be canceled or materially modified or non-renewed except upon thirty (30) days advance written notice to the City. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost. Operator further agrees to name the City as an additional insured on all applicable policies, with the exception of the policy endorsement covering hired and non-owned automobiles. Operator further agrees to increase its insurance coverage, if necessary, to ensure coverage for all approved Aeronautical Services and if Operator adds any Aeronautical Services not identified in Subsection 2.01(C).

Subsection 8.03 Insurance Notification. Operator shall file a certificate of insurance with the City evidencing that Operator has procured all required insurance coverage and that said insurance coverage will not be canceled without thirty (30) day advance written notice to the City. This agreement will not be executed or renewed by the City until such proof of coverage has been received, reviewed and accepted by the City.

SECTION 9. TERMINATION OF AGREEMENT BY OPERATOR

Subsection 9.01. Termination. Unless renewed by the Operator as described in Subsection 3.01, this Agreement shall terminate at the end of the term, or at such time as written notice of termination is provided by either party as provided in Subsection 9.02 or Subsection 10.02.

Subsection 9.02. Termination by Operator. Operator, in addition to any other rights it has under the law, may terminate this Agreement and terminate its obligations hereunder (excluding such obligations that survive the expiration or termination of this Agreement) at any time that Operator is not in default in the payment of rentals and/or fees to the City by giving the City sixty (60) days advance written notice to be served as hereinafter upon or after the happening of any one of the following events:

- A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, so as to substantially affect Operator's use of the system at the Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; provided, however, that such injunction is not due to Operator's operation at the Airport.
- B. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to undertake and be continuing to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of Operator's notice of termination.
- C. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities or any substantial part or parts thereof, in a manner as substantially to restrict Operator for a period of at least sixty (60) days from full use of its leased premises, and in that event, a just and proportionate part of the rent hereunder shall be abated.

SECTION 10. TERMINATION OF AGREEMENT BY CITY

Subsection 10.01. Termination by the City. The City, in addition to any other rights to which it may be entitled by law, may declare this Agreement terminated in its entirety as provided in Subsection 10.02 upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises. These events are as follows:

- A. The completion of the initial or any subsequent term without written notice of Operator's intention to enter into a subsequent term extension.
- B. The failure to pay all installments of fees then due (with interest) within thirty (30)

days after receipt by Operator of written notice from the City to pay such rent.

- C. The filing by Operator of a voluntary petition in bankruptcy or the making of any assignment of all or any part of Operator's assets for benefit of creditors.
- D. The filing of an involuntary bankruptcy petition against the Operator as a bankrupt pursuant to any involuntary bankruptcy proceedings.
- E. The taking of jurisdiction by a court of competent jurisdiction of Operator or its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- F. The appointment of a receiver or a trustee of Operator's assets by a court of competent jurisdiction or a voluntary agreement with Operator's creditors.
- G. The breach by Operator of any of the covenants or agreements herein contained, and the failure of Operator to remedy such breach within 30 days after receipt of written notice of such breach from the City.
- H. The abandonment of the Leased Premises.
- I. The breach of any one of the covenants contained in Subsection 2.03.C., in which case the provisions of Subsection 10.02 concerning notice to the Operator of the breach and time to cure said breach shall not apply.
- J. The Operator, its principles, directors, owners or agents, transfers, sells or otherwise conveys an ownership interest in the Operator greater than 50%.
- K. The City's discontinuation of use of the Airport as an airport.

Subsection 10.02. Termination Notice. In the event the City exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Section, a notice of cancellation shall be sufficient to cancel this Agreement; and, upon such cancellation, Operator hereby agrees that it will forthwith cease all FBO services defined and approved herein. The City shall provide written notice of its intent to terminate the Agreement to the Operator a minimum of sixty (60) days prior to the date of termination, except for termination as described in Subsection 10.01I. Failure of the City to declare this Agreement terminated for any of the reasons set out shall not operate to bar, destroy, or waive the right of the City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

SECTION 11. ASSIGNMENT AND SUBLETTING

Subsection 11.01. Assignment. Operator shall not assign this Agreement or any part thereof in any manner whatsoever or assign any of the privileges recited herein without the prior written consent of the City. In the event of such assignment, Operator shall remain liable to the City for

the remainder of the term of the Agreement to pay to the City any portion of the rentals or fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall not assign said Agreement except with the prior written approval of the City and the Operator herein, and any assignment by the Operator shall contain a clause to this effect. The City shall not unreasonably withhold its consent to any assignment, transfer or delegation by the Operator of its privileges and obligations under this Agreement to any successor, parent organization, wholly owned subsidiary or affiliate of the Operator.

Subsection 11.02 Subletting. The Operator shall not have the right to sublease all or part of the Leased Premises subject to the following conditions:

- A. No sublease or rental for the performance of FBO or Special Aviation Services Operator (SASO) services, the engagement of any aviation-related commercial activity upon the Leased Premises, or for any aviation-related commercial purposes shall be valid unless the sublessee has executed a separate Fixed Based Operator Agreement with the City; and
- B. No sublease or rental for the performance of non aviation-related services or operations on the Leased Premises shall be valid unless the sublessee has executed a General Services Provider Agreement with the City.

SECTION 12. GENERAL PROVISIONS

Subsection 12.01. The City shall maintain and keep in repair the Airport landing areas, including taxiways and aircraft parking apron and shall have the right to direct and control all activities of the Operator in this regard.

Subsection 12.02. Attorney's Fees. In any action brought by either party for the enforcement or the construction of the terms of this Agreement, the City, if it is a prevailing party in the action, shall be entitled to recover interest and its reasonable attorney's fees and litigation expenses, including, but not limited to, expert witness fees and expenses.

Subsection 12.03. Taxes. Operator shall pay any personal property taxes and other taxes which may be assessed against equipment, merchandise, or other personal property belonging to Operator located on the Leased Premises, or other permitted portions of the Airport, or upon Operator's activities thereupon.

Subsection 12.05. License Fees and Permits. Operator shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Subsection 12.06. Non-Exclusive Rights. It is hereby specifically understood and agreed between the parties that nothing contained hereby shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended; and the City reserves the right to grant to others the privilege and right of conducting any

one or all of the Aeronautical Services listed herein or any other activity of an aeronautical nature.

Subsection 12.07. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

Subsection 12.08. Applicable Law; Venue. This Agreement shall be interpreted in accordance with the laws of the State of Missouri. Should any part of this Agreement be adjudicated, jurisdiction and venue shall be proper only in the Circuit Court of Jackson County, Missouri.

Subsection 12.09. Non-Waiver. No waiver of any condition or covenant contained in this Agreement or of any breach thereof shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

Subsection 12.10. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Subsection 12.11. Binding Effect. This Agreement, including all of its covenants, terms, provisions, and conditions, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

Subsection 12.12. No Partnership. Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any relationship between the City and Operator other than the relationship of the City and Operator.

Subsection 12.13. Duty to be Reasonable. Wherever in this Agreement the City is to give its consent, approval or otherwise exercise discretion in judgment, such consent, approval or judgment shall not be unreasonably exercised or unreasonably withheld.

Subsection 12.14. City Agent. The City Manager shall be considered the agent and representative of the City with respect to all notices, approvals and matters contained hereunder, and his authority to act for and on behalf of the City in connection with all matters occurring under this Agreement shall not be questioned by the Operator.

Subsection 12.15. Non-Liability of Individuals. No director, officer, agent, elected official or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. This Subsection 12.15 shall have no

application to any independent guaranty or other assumption of the obligations of Operator which may be obtained by the City relative to this Agreement. This Subsection 12.15 shall also not apply to the Operator if the Operator is an entity other than a corporation in good standing and authorized to conduct business in the state of Missouri.

Subsection 12.16. Personal Property. Operator shall maintain the Leased Premises in a clean and orderly condition. Upon termination of this Agreement, Operator shall remove all personal property from the Leased Premises within thirty (30) days after said termination, unless otherwise agreed to, in writing, by the parties, and restore the leased premises to its original condition. If the Operator fails to remove said personal property within the aforementioned time frame, the City may take immediate possession of any property remaining on the Leased Premises and shall, at the City's sole option, become the property of the City or same may be removed and/or disposed of in any manner deemed appropriate by the City. The City shall not be liable in any manner for such removal and/or disposal; and the cost and expense of such removal and/or disposition shall be paid by the Operator.

Subsection 12.17. Casualty. If either part of the Leased Premises (i.e. the Office Premises or Building-P) is damaged by fire or other insured casualty, the rent payable hereunder for such damaged premises shall not abate provided that the damaged premises are not rendered untenable by such damage. If the damaged premises are rendered untenable and the City elects to repair the damaged premises, the rent shall abate for the period during which such repairs are being made, provided the damages were not caused by the acts or omissions of the Operator, its employees, agents or invitees, in which case the rent shall not abate. If the damaged premises are rendered untenable and the City elects not to repair the damaged premises, this Agreement shall terminate upon written notice from the City. If this Agreement is terminated by reason of fire or other insured casualty as herein provided, rent shall be apportioned and paid to the day of such fire or other insured casualty. Notwithstanding the forgoing, termination of the Agreement under this subsection shall not preclude the negotiation of a new agreement for alternate premises.

Subsection 12.18. Maintenance. City will keep the exterior of the Leased Premises in repair, provided that Operator shall give City written notice of the necessity for such repairs, and provided that the damage thereto shall not have been caused by the carelessness or negligence of Operator, its agents, employees, or servants, in which event Operator shall be responsible therefore. Operator will keep the interior of the Leased Premises in good repair and will surrender the Leased Premises at the expiration of the term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear.

Subsection 12.19. Utilities the Operator shall be responsible for payment of half of the utility costs associated with the provision of electricity, water and propane to Building-P.

Subsection 12.20. Notices. Whenever any notice is required by this Agreement to be made, given or transmitted to the City, it shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, first class, addressed to:

Airport Manager
Lee's Summit Municipal Airport
2751 NE Douglas
Lee's Summit, Missouri 64064

with a copy to the City Attorney, City of Lees Summit, 220 SE Green St., Lee's Summit, MO 64063.

Notices to Operator shall be addressed to:

M J Aviation Innovations, LLC
416 SW Killarney Lane
Blue Springs, Missouri 64014
Attn. Matthew White

or such place as either party shall designate by written notice to the other. Said notices may also be personally hand delivered by each party to the other, at the respective addresses listed above, or in the case of delivery by the City to the Operator, by posting said item conspicuously on the leased premises. If hand delivered, the date of actual completion of delivery shall be considered the date of receipt. If mailed, or posted on the leased premises, the item shall be considered received the third day after the date of posting.

Subsection 12.21. Prohibition against Interference. It is understood and agreed that the rights granted by this Agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the Airport.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at Lee's Summit, Missouri.

CITY OF LEE'S SUMMIT,

Stephen Arbo,
City Manager

Approved as to form:

Trevor L. Stiles, Assistant City Attorney

Approved as to form:

Trevor L. Stiles, Assistant City Attorney

ATTEST:

City Clerk

Approved as to form:

Deputy City Attorney

OPERATOR: M J Aviation Innovations, LLC

Signature: Matthew L. White

Title: Owner

[The remainder of this page is intentionally left blank.]

M J Aviation Innovations, LLC
STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On this 22nd day of April, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Matthew L. White, the Owner of M J Aviation Innovations, LLC who is personally known to me to be the same person who executed the within instrument on behalf of the owner of M J Aviation Innovations, LLC, and such person duly acknowledged the execution of the same to be the free act and deed of M J Aviation Innovations, LLC.

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

Bridget J. Gardner
NOTARY PUBLIC

My Commission Expires:

December 19, 2016

[SEAL]

BRIDGET J. GARDNER
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires Dec. 19, 2016
Commission # 12539822

ON THIS THE _____ day of _____, 2016, before me _____, a Notary Public in and for said state, personally appeared Randall L. Rhoads, Mayor of the City of Lee's Summit, Missouri, known to me to be the person who executed the within Agreement and acknowledged to me that he executed the Agreement for the purposes therein stated and as the free act and deed of the City of Lee's Summit, a municipal corporation.

WITNESS my hand and official seal in the County and State aforesaid, the day and year first above written.

/s/ _____
Notary Public Signature

Printed or Typed Name

(Seal)

My Commission Expires:

Packet Information

File #: BILL NO. 16-105, **Version:** 1

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE OFFICE OF STATE COURTS ADMINISTRATOR FOR THE ESTABLISHMENT OF A WIDE AREA NETWORK (WAN) DATA CONNECTION TO INCREASE EFFICIENCY OF THE CASE MANAGEMENT SOFTWARE.

Issue/Request:

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE OFFICE OF STATE COURTS ADMINISTRATOR FOR THE ESTABLISHMENT OF A WIDE AREA NETWORK (WAN) DATA CONNECTION TO INCREASE EFFICIENCY OF THE CASE MANAGEMENT SOFTWARE.

Key Issues:

The City of Lee's Summit Municipal Court ("Municipal Court") is a municipal division of the 16th Judicial Circuit, Jackson County, State of Missouri, that hears cases involving violations of the City's ordinances; and,

The Office of the State Courts Administrator ("OSCA") is responsible for providing administrative, business and technology support services to the courts including the Justice Information System (JIS) utilized by the Municipal Court; and,

There is a desire to establish a wide area network (WAN) data connection to increase the efficiency of the case management software for the Municipal Court.

A memorandum of understanding will describe the parties responsibilities in regards to the establishment of the wide area network (WAN) data connection.

Proposed Committee Motion:

I move to recommend to City Council approval of an Ordinance approving and authorizing the execution of a memorandum of understanding between the City of Lee's Summit, Missouri and the Office of State Courts Administrator for the establishment of a Wide Area Network (WAN) data connection to increase efficiency of the case management software.

Background:

The Municipal Court currently utilizes the Justice Information System (JIS) software system supported by OSCA through a Cisco VPN offsite system and printer software is also accessed offsite. Court staff has limited log-in capability.

Other Information/Unique Characteristics:

OSCA will provide personal computers for the existing work stations, printers, laptops, router, cabling and labor for install.

Presenter: Kelly S. Elliott

Recommendation: Staff recommends approval of an Ordinance approving and authorizing the execution of a memorandum of understanding between the City of Lee's Summit, Missouri and the Office of State Courts Administrator for the establishment of a Wide Area Network (WAN) data connection to increase efficiency of the case management software.

BILL NO. 16-105

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE OFFICE OF STATE COURTS ADMINISTRATOR FOR THE ESTABLISHMENT OF A WIDE AREA NETWORK (WAN) DATA CONNECTION TO INCREASE EFFICIENCY OF THE CASE MANAGEMENT SOFTWARE.

WHEREAS, the City of Lee's Summit, Missouri is a constitutional charter City, organized and existing under the laws of the State of Missouri (hereinafter "City"); and,

WHEREAS, the City of Lee's Summit, Missouri Municipal Court (hereinafter "Municipal Court") is a municipal division of the Sixteenth Judicial Circuit, Jackson County, State of Missouri, and hears cases involving violations of the City's ordinances; and,

WHEREAS, the Office of the State Courts Administrator (hereinafter "OSCA") is responsible for providing administrative, business, and technology support services to the courts, including the Justice Information System utilized by the Municipal Court; and,

WHEREAS, in order to maximize the technology capabilities and efficiencies of the Municipal Court to access OSCA support services, Municipal Court and OSCA desire to collaborate to establish a wide area network data connection; and,

WHEREAS, a memorandum of understanding has been prepared to outline the terms and conditions, as well as the obligations of the City and OSCA with respect to the establishment of a wide area network as discussed herein; and,

WHEREAS, a copy of the Memorandum of Understanding referenced herein is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. That the Memorandum of Understanding by and between the City of Lee's Summit, Missouri and the Office of State Courts Administrator for establishment of a wide area network for use by the Municipal Court, a true and accurate copy of the same being attached hereto as Exhibit A and incorporated herein by reference be and the same is hereby approved, and the Mayor is hereby authorized to execute the same by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 3. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

BILL NO. 16-105

PASSED by the City Council of the City of Lee's Summit, Missouri this _____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said City this _____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

Chief Counsel of Management and Operations *Jackie McCormick Heanue*

MEMORANDUM OF UNDERSTANDING
Between
MISSOURI OFFICE OF STATE COURTS ADMINISTRATOR
And
THE CITY OF LEE'S SUMMIT
And
LEE'S SUMMIT MUNICIPAL DIVISION OF THE
JACKSON COUNTY CIRCUIT COURT

This document constitutes an Agreement between the Office of State Courts Administrator (OSCA), the Lee's Summit Municipal Division of the Jackson County Circuit Court and the City of Lee's Summit for the establishment of a wide area network (WAN) data connection to increase efficiency of the case management software.

The Office of State Courts Administrator agrees to:

1. Evaluate the use of the connection to determine if the response time in data processing is increasing the effectiveness of the court.
2. Ensure the court meets the technical requirements for installation of the network data connection. If required, equipment will be provided to meet the Missouri Court Automation (MCA) infrastructure standards.
3. Purchase personal computers for the existing work stations, printers and a router and switch for connecting to the network data connection lines. The router and switch will be maintained by OSCA as long as this agreement remains in effect. Any and all other equipment purchased and provided by OSCA shall not be eligible for replacement.
4. Provide support and transition services. At least one staff member will be on site for the first live business workday after the transition to the OSCA network.
5. Provide instructions for court staff, including education materials with instructional information for logging on to the case management software.
6. Communicate with the court throughout the process via in-court meetings, scheduled conference calls and e-mail.

Lee's Summit Municipal Division agrees to:

1. Continue to assess, collect and disburse the \$7.00 per case court automation fee.
2. Continue to follow all agreed conditions of the previously signed Municipal Court Automation Memorandum of Understanding (MOU) between OSCA, the Lee's Summit Municipal Division, and the Lee's Summit Municipality, dated September 17, 2013.

3. Provide and install PC and printer equipment, which meets the MCA infrastructure standards, after the initial service agreement has expired on the OSCA installed equipment. Contact the OSCA Help Desk at 888-541-4894 to obtain the required standards when the replacement is necessary.

The City of Lee's Summit agrees to:

1. Manage and maintain the local area network cabling and data line. If the data lines must be relocated, the municipality shall assume all cost associated with the relocation.
2. Submit Information Technology contact information to OSCA.
3. Assume all costs associated with terminating the network data connection line. If the municipal division and municipality no longer desire to use the case management system.

We, the undersigned have read and accept the commitments as outlined in the agreement. This agreement is entered into on the dates set forth below and shall be in effect until such time as terminated by the parties listed.

Signature: _____ Date: _____

Printed Name: _____

Judge

Municipal Division of the Jackson County Circuit Court

Signature: _____ Date: _____

Printed Name: _____

Court Administrator/Chief Court Clerk

Municipal Division of the Jackson County Circuit Court

Signature: _____ Date: _____

Printed Name: _____

Presiding Judge

16th Judicial Circuit

Signature: _____ Date: _____

Printed Name: _____
Mayor, City Official or Designee

Signature: _____ Date: _____

Printed Name: Earl Kraus
Deputy State Courts Administrator

Packet Information

File #: BILL NO. 16-106, **Version:** 3

AN ORDINANCE AUTHORIZING THE ISSUANCE OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000, TO PAY THE COSTS OF AN INDUSTRIAL DEVELOPMENT PROJECT FOR KC SUMMIT TECHNOLOGY LLC, A DELAWARE LIMITED LIABILITY COMPANY; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

Issue/Request:

The City has prepared a plan for industrial development for KC Summit Technology with respect to a project consisting of the design and construction of potential improvements to the south building of the Lee's Summit Technology Center and associated site work and infrastructure related thereto, all at a cost of approximately \$6,500,000. Additional Taxable Industrial Development Revenue Bonds under the Original Indenture will be issued and the fixed Payments in Lieu of Taxes will be extended to 2028.

Key Issues:

The City Council approved the 2016 Redevelopment Plan in March 2016 and the Company now requests that the City approve the debt instrument to finance the improvements which will increase the size and scope of the 2007 Project,

This requires the issuance of additional Taxable Industrial Development Revenue Bonds under the Original Indenture in the principal amount of not to exceed \$6,500,000 increasing the authorized amount of the Bonds to a maximum principal amount of \$58,090,988.52.

This will extend the term of the ad valorem real property tax abatement on the 2007 Project and the amounts of the payments in lieu of taxes payable by the Company under the Original Lease through December 31, 2028.

Proposed City Council Motion:

I move to approve an ordinance authorizing the issuance of Taxable Industrial Development Revenue Bonds, in a principal amount not to exceed \$6,500,000, to pay the costs of an industrial development project for KC Summit Technology LLC, a Delaware Limited Liability Company; authorizing and approving certain documents and authorizing certain other actions in connection with the issuance of the bonds.

I move for second reading

I move for adoption

Background:

On December 17, 2015, the Company sold a portion of the 2007 Project consisting of the north building of the

Lee's Summit Technology Center (the "North Building"), together with the real property on which the North Building is located, to Cerner Properties, Inc., a Delaware corporation ("Cerner"); and,

In connection with the sale of the North Building to Cerner, the Company and the City entered into the First Supplemental Lease Agreement dated as of December 1, 2015 (the "First Supplemental Lease"), for the purpose of (i) modifying the amounts of the payments in lieu of taxes payable by the Company under the Original Lease (to account for the removal of the North Building), (ii) amending the legal description of the 2007 Project (to remove the North Building), and (iii) making other conforming changes thereto; and

The City Council passed Ordinance No. 7850 on March 31, 2016, which Ordinance approved the 2016 Redevelopment Plan.

Impact/Analysis:

The Payments in Lieu of Taxes for the two remaining years of the 2007 bonds will continue and an increased PILOT reflecting the improvements will begin in 2018 through 2028.

Presenter: Conrad Lamb

Recommendation: Staff recommends approval

Committee Recommendation: No Committee action

BILL NO. 16-106

AN ORDINANCE AUTHORIZING THE ISSUANCE OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000, TO PAY THE COSTS OF AN INDUSTRIAL DEVELOPMENT PROJECT FOR KC SUMMIT TECHNOLOGY LLC, A DELAWARE LIMITED LIABILITY COMPANY; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

WHEREAS, the City of Lee's Summit, Missouri (the "City") is a constitutional charter city and municipal corporation of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and,

WHEREAS, the City is authorized under the provisions of the Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Missouri Revised Statutes, as amended, and the City of Lee's Summit Charter, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act), and to issue industrial development revenue bonds for the purpose of providing funds to finance the costs of such projects and to lease or sell such projects to others, and to pledge the payments, revenues and receipts from such projects as security for the payment of the principal of, redemption premium, if any, and interest on such bonds; and,

WHEREAS, the City on June 18, 1998 issued its Taxable Industrial Development Revenue Bonds (Townsend Summit, LLC), Series 1998, in the maximum principal amount of \$100,000,000 (the "Series 1998 Bonds"), for the purpose of providing funds to finance the costs of purchasing and constructing an industrial development project in the City, including land, buildings and fixtures (the "Original Project"), and, in connection therewith, the City leased the Project to Townsend Summit, LLC, a Delaware limited liability company ("Townsend"); and,

WHEREAS, in 2007, Townsend agreed to sell a portion of the Original Project consisting of two buildings of approximately 1,037,985 square feet together (the "2007 Project") to KC Summit Technology LLC, a Delaware limited liability company (the "Company") with the real property on which such buildings are located (which is legally described in Exhibit A to the Original Lease (defined below)); and,

WHEREAS, in connection with the sale of the 2007 Project to the Company, the Company requested that the Series 1998 Bonds be refunded by the issuance by the City of its Taxable Industrial Development Refunding Revenue Bonds (Summit Technology Center Project), Series 2007 (the "Series 2007 Bonds"), in the maximum principal amount of \$51,590,988.52; and,

WHEREAS, pursuant to Ordinance No. 6460 passed on August 2, 2007, the City (i) entered into a Trust Indenture dated as of August 1, 2007 (the "Original Indenture"), with UMB Bank, N.A., Kansas City, Missouri, as bond trustee (the "Trustee"), for the purpose of issuing and securing the Series 2007 Bonds, and (ii) entered into the Lease Agreement dated as of August 1, 2007 (the "Original Lease"), with the Company, under which the City (a) caused the proceeds of the Series 2007 Bonds to be used to refund the Series 1998 Bonds, and (b) leased the 2007 Project to the Company in consideration of payments to be made by the Company to the Trustee which are to be sufficient to pay the principal of and interest on the Series 2007 Bonds as the same become due; and,

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WHEREAS, on December 17, 2015, the Company sold a portion of the 2007 Project consisting of the north building of the Lee's Summit Technology Center (the "North Building"), together with the real property on which the North Building is located, to Cerner Properties, Inc., a Delaware corporation ("Cerner"); and,

WHEREAS, in connection with the sale of the North Building to Cerner, the Company and the City entered into the First Supplemental Lease Agreement dated as of December 1, 2015 (the "First Supplemental Lease"), for the purpose of (i) modifying the amounts of the payments in lieu of taxes payable by the Company under the Original Lease (to account for the removal of the North Building), (ii) amending the legal description of the 2007 Project (to remove the North Building), and (iii) making other conforming changes thereto; and,

WHEREAS, the Company now requests that the City approve (i) an increase in the size and scope of the 2007 Project, (ii) the issuance of additional Taxable Industrial Development Revenue Bonds under the Original Indenture in the principal amount of not to exceed \$6,500,000 (the "Additional Bonds," and together with the Series 2007 Bonds, collectively, the "Bonds") (increasing the authorized amount of the Bonds to a maximum principal amount of \$58,090,988.52), (iii) the extension of the term of the *ad valorem* real property tax abatement on the 2007 Project, (iv) the modification of the amounts of the payments in lieu of taxes payable by the Company under the Original Lease, as previously supplemented, and (v) the modification of the Original Lease to extend the term thereof through December 31, 2028; and,

WHEREAS, the City, in accordance with Section 100.050 of the Act, has prepared a plan for industrial development (the "2016 Plan") for the Company, with respect to a project consisting of (1) the design and construction of potential improvements to the south building of the Lee's Summit Technology Center and (2) associated site work and infrastructure related thereto, all at a cost of approximately \$6,500,000 (the "2016 Project," and together with the 2007 Project, collectively, the "Project"); and,

WHEREAS, following notice to affected taxing jurisdictions in accordance with Section 100.059.1 of the Act and a public hearing, the City Council passed Ordinance No. 7850 on March 31, 2016, which Ordinance approved the 2016 Plan; and,

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the authorization of the Additional Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. Authorization of the Additional Bonds. The City is hereby authorized to issue the Additional Bonds under the Indenture (defined below), which shall be designated Taxable Industrial Development Refunding and Improvement Revenue Bonds (Summit Technology Center Project), Series 2007, in an aggregate principal amount of not to exceed \$6,500,000, for the purpose of providing funds to pay the costs of the 2016 Project. The Additional Bonds shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate (not to exceed 8.00%), shall be in such form, shall be subject to redemption, shall be

BILL NO. 16-106

purchased by the Company, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the Indenture upon the execution thereof, and the signatures of the officers of the City executing the Indenture shall constitute conclusive evidence of their approval and the City's approval thereof.

SECTION 2. Limitation on Liability. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the Lease (defined below), and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional provision, statutory limitation or City Charter provision and shall not constitute a pledge of the full faith and credit of the City. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City to levy any form of taxation therefore or to make any appropriation for their payment.

SECTION 3. Approval and Authorization of Documents. The City is hereby authorized to enter into the following documents (the "City Documents"), in substantially the forms presented to and approved by the City Council, with such changes therein as are approved by the officials of the City executing the documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Amended and Restated Trust Indenture dated as of the date set forth therein (the "Indenture"), between the City and the Trustee, pursuant to which (i) the Series 2007 Bonds are issued and the Additional Bonds shall be issued and (ii) the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture; and

(b) Second Supplemental Lease Agreement dated as of the date set forth therein (the "Second Supplemental Lease," together with the Original Lease and the First Supplemental Lease, collectively referred to herein as the "Lease"), between the City and the Company.

SECTION 4. Execution of Documents. The Mayor of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor, the City Manager and the Director of Finance of the City are hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 5. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with

BILL NO. 16-106

respect to the Bonds and the City Documents. The Mayor, the City Manager and the Director of Finance of the City are hereby authorized, through the term of the Lease, to execute all documents on behalf of the City (including any estoppel certificates or other documents necessary in connection with the ground lease on the site where the Project is located) as may be required to carry out and comply with the intent of this Ordinance and the City Documents.

SECTION 6. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

SECTION 7. Effective Date. This Ordinance shall take effect and be in full force from and after its passage and adoption by the City Council and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this _____ day of - _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED by the Mayor of said City this _____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED AS TO FORM:

City Attorney Brian W. Head

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT: SECOND SUPPLEMENTAL LEASE AGREEMENT

DATE OF DOCUMENT: MAY 1, 2016

GRANTOR(S) AND MAILING ADDRESS(ES): CITY OF LEE'S SUMMIT, MISSOURI
City Hall
2220 SE Green Street
Lee's Summit, Missouri 64063

GRANTEE(S) AND MAILING ADDRESS(ES): KC SUMMIT TECHNOLOGY LLC
c/o Weinreb Management
276 Riverside Drive
Suite 2-G
New York, New York 10025

ASSIGNEE(S) AND MAILING ADDRESS(ES): UMB BANK, N.A., as trustee
1010 Grand Blvd., 4th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

LEGAL DESCRIPTION: See **Exhibit A**

REFERENCE BOOK & PAGE: Instrument No. 2007E0106355, recorded August 13, 2007
Instrument No. 2015E0113314, recorded December 17, 2015

AFTER RECORDING, RETURN DOCUMENTS TO: Gilmore & Bell, P.C.
2405 Grand Boulevard, 11th Floor
Kansas City, Missouri 64108
Attention: Gary Anderson

The interest of the City of Lee's Summit, Missouri in this Second Supplemental Lease Agreement has been pledged and assigned to UMB Bank, N.A., Kansas City, Missouri, as Trustee under the Amended and Restated Trust Indenture dated as of May 1, 2016, as amended or supplemented, between the City and such Trustee. The interest of KC Summit Technology, LLC in this Second Supplemental Lease Agreement has been pledged and assigned to Canadian Imperial Bank of Commerce, Acting

Through Its New York Branch, As Administrative Agent, pursuant to a certain Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded in the official records of Jackson County, Missouri as Instrument #2015E0037118, as reaffirmed or modified, including by that certain Reaffirmation and Modification of Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded in the official records of Jackson County, Missouri as Instrument #2015E0113344 and that certain Reaffirmation and Modification of Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing to be recorded in the official records of Jackson County, Missouri on even date herewith.

[Document continues on next page.]

SECOND SUPPLEMENTAL LEASE AGREEMENT

THIS SECOND SUPPLEMENTAL LEASE AGREEMENT dated as of May 1, 2016 (this “Second Supplemental Lease”), is between the **CITY OF LEE’S SUMMIT, MISSOURI**, a constitutional charter city and municipal corporation organized and existing under the laws of the State of Missouri (the “City”), and **KC SUMMIT TECHNOLOGY LLC**, a limited liability company organized and existing under the laws of the State of Delaware, and authorized and qualified to do business in the State of Missouri (the “Company”);

WITNESSETH:

WHEREAS, the City is authorized and empowered under the Article VI, Section 27(b) of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City Charter, as amended (collectively the “Act”), to issue its revenue bonds for the purpose of providing funds to purchase, construct, extend and improve certain manufacturing, commercial, warehousing and industrial development projects and to lease or otherwise dispose of such projects to private persons or corporations upon such terms and provisions as the City deems advisable; and

WHEREAS, on June 18, 1998, the City issued its Taxable Industrial Development Revenue Bonds (Townsend Summit, LLC), Series 1998, in the maximum principal amount of \$100,000,000 (the “Series 1998 Bonds”), for the purpose of providing funds to finance the costs of purchasing and constructing an industrial development project in the City, including land, buildings and fixtures (collectively, the “Original Project”), and, in connection therewith, the City leased the Original Project to Townsend Summit, LLC, a Delaware limited liability company (“Townsend”); and

WHEREAS, in 2007, Townsend sold a portion of the Original Project consisting of two buildings of approximately 1,037,985 square feet (the “Summit Project”), together with the real property on which such buildings are located (which is legally described in Exhibit A to the Lease (defined below)), to KC Summit Technology LLC, a Delaware limited liability company (the “Company”); and

WHEREAS, in connection with the sale of the Summit Project to the Company, the Company requested that the Series 1998 Bonds be refunded by the issuance by the City of its Taxable Industrial Development Refunding Revenue Bonds (Summit Technology Center Project), Series 2007 (the “Bonds”), in the maximum principal amount of \$51,590,988.52; and

WHEREAS, pursuant to Ordinance No. 6460 passed August 2, 2007, the City (i) entered into a Trust Indenture dated as of August 1, 2007 (the “Original Indenture”), with UMB Bank, N.A., Kansas City, Missouri, as trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, and (ii) entered into the Lease Agreement dated as of August 1, 2007 (the “Original Lease”), with the Company, under which the City (a) caused the proceeds of the Bonds to be used to pay the costs of the acquisition and construction of the Summit Project, and (b) leased the Summit Project to the Company in consideration of payments to be made by the Company to the Trustee which are to be sufficient to pay the principal of and interest on the Bonds as the same become due (a Memorandum of Lease Agreement was recorded in the Jackson County, Missouri Recorder of Deed’s Office on August 13, 2007, as Instrument No. 2007E01063552); and

WHEREAS, On December 17, 2015, the Company sold a portion of the Summit Project consisting of the north building of the Lee’s Summit Technology Center (the “North Building”), together with the real property on which such improvements are located, to Cerner Properties, Inc., a Delaware corporation (“Cerner”); and

WHEREAS, in connection with the sale of the North Building to Cerner, the Company and the Issuer entered into the First Supplemental Lease Agreement dated as of December 1, 2015 (the “First Supplemental Lease”) (an Amended and Restated Memorandum of Lease was recorded in the Jackson County, Missouri Recorder of Deed’s Office on December 17, 2015, as Instrument No. 2015E0113314), for the purpose of (i) modifying the amounts of the payments in lieu of taxes payable by the Company under the Original Lease (to account for the removal of the North Building), (ii) amending the legal description of the Summit Project (to remove the North Building), and (iii) making other conforming changes thereto; and

WHEREAS, the Company now requests that the City approve (i) an increase in the size and scope of the Summit Project, (ii) the issuance of additional Taxable Industrial Development Revenue Bonds under the Original Indenture in the principal amount of not to exceed \$6,500,000 (increasing the authorized amount of the Bonds to a maximum principal amount of \$58,090,988.52), (iii) the extension of the term of the *ad valorem* real property tax abatement on the Summit Project, (iv) the modification of the amounts of the payments in lieu of taxes payable by the Company under the Original Lease, as previously supplemented, and (v) the modification of the Original Lease to extend the term thereof through December 31, 2028; and

WHEREAS, the City, in accordance with Section 100.050 of the Act, has prepared a plan for industrial development (the “2016 Plan”) for the Company, with respect to a project consisting of (1) the design and construction of potential improvements to the south building of the Lee’s Summit Technology Center and (2) associated site work and infrastructure related thereto, all at a cost not to exceed \$6,500,000 (the “2016 Project,” and together with the Summit Project, collectively, the “Project”); notice of the 2016 Plan and the 2016 Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act and the City now desires to approve the 2016 Plan; and

WHEREAS, the City desires to finance the costs of the 2016 Project out of the proceeds of the Bonds; and

WHEREAS, pursuant to Ordinance No. 7850 passed by the City Council on March 31, 2016, the City approved the 2016 Plan; and

WHEREAS, pursuant to Ordinance No. _____ passed by the City Council on May __, 2016, the City will enter into (i) an Amended and Restated Trust Indenture dated as of May 1, 2016 (the “Indenture”), with the Trustee, for the purpose of issuing and securing the Bonds, and (ii) this Second Supplemental Lease (together with the Original Lease and the First Supplemental Lease, collectively, referred to herein as the “Lease”), with the Company; and

WHEREAS, Section 10.1 of the Lease and **Article X** of the Indenture permit the City and the Company, with the consent of the Trustee, to supplement the Lease.

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

ARTICLE I

DEFINITIONS

For all purposes of this Second Supplemental Lease, except as otherwise provided or unless the context otherwise requires, words and terms used in this Second Supplemental Lease have the same meanings as set forth in **Section 101** of the Indenture.

ARTICLE II

AMENDMENT OF LEASE AGREEMENT

Section 2.1. **Section 3.2** of the Lease is hereby modified to read as follows:

Section 3.2. Term of Agreement. This Agreement shall become effective concurrently with the initial issuance and delivery of the Bonds, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Articles VIII** and **IX** hereof), shall have a term commencing August 9, 2007 and terminating on **December 1, 2028**.

Section 2.2. **Article IV** of the Lease is hereby modified to read as follows:

ARTICLE IV

ISSUANCE OF BONDS; ACQUISITION OF THE PROJECT

Section 4.1. Issuance of Bonds. In order to provide funds to (i) refund the Series 1998 Bonds, and (ii) pay certain costs of the construction, renovation and improvement of the 2016 Project, the Issuer issued and sold the Bonds and caused the Bonds to be delivered to the original purchaser thereof, as provided in the Indenture. The proceeds of the Bonds were used and applied as hereinafter provided in this Article and in the Indenture.

Section 4.2. Acquisition of the Project.

(a) In 2007, the Company acquired the leasehold interest of Townsend in the Project. On December 17, 2015, the Issuer conveyed a portion of the Project (the North Building) back to the Company so that the North Building could then be conveyed by the Company to Cerner.

(b) The Project shall continue to be owned by the Issuer, subject to Permitted Encumbrances, and the Company agrees to execute and deliver to the Issuer all deeds and any other necessary instruments of transfer to vest title to the Project in the Issuer.

Section 4.3. Construction, Renovation and Improvement of the 2016 Project. The Issuer and the Company agree that the Company, as the agent of the Issuer shall, but solely from the Project Fund, construct, renovate and improve the 2016 Project as follows:

(a) On behalf of the Issuer, the Company will construct, renovate and improve the 2016 Project if, as and when deemed appropriate by the Company. The Company agrees that the aforesaid construction, renovation and improvement will, with such changes and additions as may be made hereunder, result in facilities suitable for use by the Company for its purposes, or for the Company's tenants and subtenants for the respective purposes of each. The provisions of this paragraph are in addition to and do not supersede the provisions of **Section 6.9**;

(b) The Company will comply with the provisions of Section 107.170 of the Revised Statutes of Missouri, as amended, to the extent applicable to the construction, renovation and improvement of the 2016 Project; provided, however, that (i) nothing herein shall constitute, or be deemed to be, an agreement or acknowledgment by either the Issuer or the Company that Section 107.170 of the Revised Statutes of Missouri, as amended, is applicable to the construction of the 2016 Project or any portion thereof, and (ii) the Issuer and the Company hereby acknowledge and agree that the Project is not a "public work" for purposes of Section 107.170 of the Revised Statutes of Missouri, as amended; and

(c) In the event the construction, renovation and improvement of the 2016 Project commences prior to the receipt of proceeds from the sale of the Bonds, the Company agrees to advance all funds necessary for such purpose.

Section 4.4. Project Costs. The Issuer hereby agrees to pay for, but solely from the Project Fund, and hereby authorizes and directs the Trustee to pay for, but solely from the Project Fund, all Project Costs upon receipt by the Trustee of a certificate pursuant to **Section 4.5** hereof.

Section 4.5. Payment for Project Costs. All Project Costs as specified in **Section 4.4** hereof shall be paid by the Trustee from the Project Fund as more fully provided in the Indenture, and the Issuer hereby authorizes and directs the Trustee to make disbursements from the Project Fund, upon receipt by the Trustee of certificates in substantially the form attached to the Second Supplemental Lease as **Exhibit B**, signed by an Authorized Company Representative, which disbursements may be recorded via a transaction entry on the trust records held by the Trustee. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The submission of any requisition certificate by an Authorized Company Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payments requested have been satisfied.

Section 4.6. Establishment of Completion Date. The Completion Date for the 2016 Project shall be evidenced to the Issuer and the Trustee by a certificate signed by the Authorized Company Representative stating (a) that the construction, renovation and improvement of the 2016 Project has been completed, (b) the date of completion thereof, and (c) that all costs and expenses of the construction, renovation and improvement of the 2016 Project have been incurred. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the

date of such certificate or which may subsequently come into being. The Company and the Issuer agree to cooperate in causing such certificate to be furnished to the Trustee.

Section 4.7. Surplus or Deficiency in Project Fund.

(a) Upon receipt of the Completion Certificate as described in **Section 4.6**, the Trustee shall, as provided in **Section 404** of the Indenture, transfer any remaining moneys then in the Project Fund to the Bond Fund to be applied as directed by the Company solely to (1) the payment of principal and premium, if any, of the Bonds through the payment (including regularly scheduled principal payments, if any) or redemption thereof at the earliest date permissible under the terms of the Indenture, or (2) at the option of the Company, to the purchase of Bonds at such earlier date or dates as the Company may elect. Any amount so deposited in the Bond Fund may be invested as permitted by **Section 502** of the Indenture.

(b) If the Project Fund shall be insufficient to pay fully all Project Costs and to complete the 2016 Project free of liens and encumbrances other than Permitted Encumbrances, the Company shall pay, in cash, the full amount of any such deficiency by making payments thereof directly to the contractors and to the suppliers of materials and services as the same shall become due, and the Company shall save the Issuer and the Trustee whole and harmless from any obligation to pay such deficiency.

Section 4.8. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs. The Company releases the Issuer from, agrees that the Issuer shall not be liable for and agrees to hold the Issuer harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof.

Section 4.9. Investment of Moneys in Funds. Any moneys held as a part of the Debt Service Fund or Project Fund shall, at the written direction of the Company Representative, be invested or reinvested by the Trustee in Permitted Investments in accordance with the provisions of **Article V** of the Indenture.

Section 2.3. **Section 5.6(a)** of the Lease is hereby modified to read as follows:

Section 5.6. Payments in Lieu of Taxes.

(a) In consideration of the issuance by the Issuer of the Bonds to finance the Project, and in consideration of the Company's execution of this Agreement and the other documents relating to the Project, and as payment for the services provided and to be provided by the Issuer in connection with the performance by the Issuer of its covenants in this Agreement and in the Ordinance authorizing the issuance of the Bonds and otherwise, the Company agrees to pay to the Issuer in lieu of real property taxes with respect to the Project the following sums:

For the period beginning January 1, 2007 and continuing until the end of the initial Lease Term (but not any extended Lease Term under this Agreement), the Company shall pay annually, on or before December 31 in each calendar

year, to the Issuer in lieu of real property taxes on the real property constituting the Project (including the Project Site and any improvements acquired, constructed, renovated and improved pursuant to this Agreement), the amounts shown on **Exhibit B** hereto.

Section 2.4. **Exhibit B** of the Lease is amended by deleting **Exhibit B** thereto in its entirety and replacing it with **Exhibit B** attached to this Second Supplemental Lease. The City and Company acknowledge that the amounts shown in **Exhibit B** attached hereto for periods prior to the execution of this Second Supplement Lease represented payments with respect to the entire Summit Project.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.1. Effect of Second Supplemental Lease. The provisions of the Lease, including without limitation the representations, warranties and covenants included therein, are hereby ratified and confirmed as previously and as hereby modified and amended, and the respective rights, duties and obligations under the Lease of the Company, the City and the Trustee shall hereafter be determined, exercised and enforced under the Lease subject in all respects to such modification and amendment, and all the terms and conditions of this Second Supplemental Lease shall be deemed to be part of the terms and conditions of the Lease for any and all purposes. This Second Supplemental Lease shall be construed as having been authorized, executed, delivered and consented to under the provisions of **Section 10.1** of the Lease and **Section 1001** of the Indenture. To the knowledge of each of the City, the Company, and the Trustee, all obligations of each party to be performed or complied with pursuant to the Lease through the date hereof have been fully performed and complied with and there exists no default or condition, state of facts or event that, with the passing of time or the giving of notice, or both, would constitute a default thereunder by any party in the performance of its obligations under the Lease.

Section 3.2. Binding Effect. This Second Supplemental Lease shall be binding upon and shall inure to the benefit of the Company and the City and their respective successors and assigns.

Section 3.3. Severability. If for any reason any provision of this Second Supplemental Lease shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 3.4. Execution in Counterparts. This Second Supplemental Lease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 3.5. Governing Law. This Second Supplemental Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 3.6. Electronic Storage of Documents. The Company and the City agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 3.7. Requisition Certificate. The form of Project Fund requisition certificate, as referenced in **Section 4.5** of the Lease, is attached hereto as **Exhibit C**.

Section 3.8. Amendment to Estoppel. Concurrently with the execution and delivery of this Second Supplemental Lease, the parties shall enter into that certain Second Ground Lease Estoppel Reaffirmation and Agreement, in the form attached hereto as **Exhibit D**, for the benefit of certain Financing Parties with respect to the Company's interest in the Project.

[Signatures follow on separate pages]

IN WITNESS WHEREOF, the City has caused this Second Supplemental Lease to be signed in its name and behalf by its Mayor and its seal to be hereunto affixed and attested by its City Clerk, and the Company has caused this Second Supplemental Lease to be signed in its name and behalf by one of its duly authorized officers.

CITY OF LEE’S SUMMIT, MISSOURI

By: _____
Randy Rhoads, Mayor

[SEAL]

ATTEST:

Denise Chisum, City Clerk

ACKNOWLEDGMENT

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

On this ____ day of _____, 2016, before me, the undersigned, a Notary Public, appeared **Randy Rhoads** and **Denise Chisum**, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the **CITY OF LEE’S SUMMIT, MISSOURI**, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed by authority of its City Council, and said officers acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Name: _____
Notary Public in and for said State

(SEAL)

My Commission Expires: _____.

KC SUMMIT TECHNOLOGY LLC

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2016, before me appeared _____, to me personally known, who, being by me duly sworn, did say that s/he is the _____ of **KC SUMMIT TECHNOLOGY LLC**, a Delaware limited liability company, and that said instrument was signed on behalf of said limited liability company by authority of its Board of Directors; and said individual acknowledged said instrument to be the free act and deed of said limited liability company.

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

Name: _____
Notary Public in and for said State

(SEAL)

My Commission Expires: _____.

CONSENT OF TRUSTEE

The undersigned consents to the execution and delivery of the Second Supplemental Lease Agreement dated as of May 1, 2016, between the City of Lee's Summit, Missouri, as lessor, and KC Summit Technology LLC, as lessee.

Dated: May __, 2016.

UMB BANK, N.A.,
as Trustee

By: _____
Name: Jason McConnell
Title: Vice President

CONSENT OF BONDOWNER

The undersigned, as the sole owner of all of the Bonds, consents to the execution and delivery of the Second Supplemental Lease Agreement dated as of May 1, 2016, between the City of Lee's Summit, Missouri, as lessor, and KC Summit Technology LLC, as lessee.

Dated: May __, 2016.

KC SUMMIT TECHNOLOGY LLC,
as Bondowner

By: _____
Name:
Title:

EXHIBIT A

PROJECT SITE

All of the following described real estate situated in the County of Jackson, State of Missouri:

Lot 27B as shown on that certain Summit Fair- Lots 27A & 27B a Replat of Lot 27, Summit Fair Third Plat, Lots 15-27 and F-I a Subdivision in Lee's Summit, Jackson County, recorded on December 15, 2015 as Document No. 2015E0112075.

EXHIBIT B

PAYMENTS IN LIEU OF TAX

<u>Payment Due Date</u>	<u>Amount</u>
December 31, 2007	\$555,000
December 31, 2008	\$555,000
December 31, 2009	\$555,000
December 31, 2010	\$555,000
December 31, 2011	\$555,000
December 31, 2012	\$555,000
December 31, 2013	\$559,658
December 31, 2014	\$576,448
December 31, 2015	\$593,741
December 31, 2016	\$287,430
December 31, 2017	\$296,053
December 31, 2018	\$304,935
December 31, 2019	\$568,355
December 31, 2020	\$568,355
December 31, 2021	\$568,355
December 31, 2022	\$568,355
December 31, 2023	\$568,355
December 31, 2024	\$568,355
December 31, 2025	\$568,355
December 31, 2026	\$568,355
December 31, 2027	\$568,355
December 31, 2028	\$568,355

EXHIBIT C

FORM OF REQUISITION CERTIFICATE

Requisition No. _____
Date: _____

REQUISITION CERTIFICATE

TO: UMB BANK, N.A., AS TRUSTEE UNDER AN AMENDED AND RESTATED TRUST INDENTURE DATED AS OF APRIL 1, 2016, BETWEEN CITY OF LEE'S SUMMIT, MISSOURI, AND THE TRUSTEE, AND AMENDED AND RESTATED LEASE AGREEMENT DATED AS OF APRIL 1, 2016, BETWEEN CITY OF LEE'S SUMMIT, MISSOURI, AND KC SUMMIT TECHNOLOGY LLC

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

We hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the construction, renovation and improvement of the 2016 Project, have been properly incurred and are a proper charge against the Project Fund, and have been paid by or are justly due to the persons whose names and addresses are stated on **Schedule 1**, and have not been the basis of any previous requisition from the Project Fund; (ii) as of this date, except for the amounts referred to above, there are no, to the best of our knowledge, outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the construction, renovation and improvement of the 2016 Project which, if unpaid, might become the basis of a vendors', mechanics', laborers' or materialmen's statutory or similar lien upon the 2016 Project or any part thereof; and (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Fund in any previous or pending application for payment made pursuant to said Lease.

KC SUMMIT TECHNOLOGY LLC

By: _____
Name: _____
Title: _____

SCHEDULE 1 TO REQUISITION CERTIFICATE

PROJECT COSTS

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

EXHIBIT D

FORM OF GROUND LEASE ESTOPPEL REAFFIRMATION AND AGREEMENT

G&B Draft: ~~February 29~~April 13, 2016

**CITY OF LEE'S SUMMIT, MISSOURI,
Issuer**

AND

**UMB BANK, N.A.,
Kansas City, Missouri,
Trustee**

AMENDED AND RESTATED TRUST INDENTURE

Dated as of ~~April~~May 1, 2016

**\$58,090,988.52
TAXABLE INDUSTRIAL DEVELOPMENT REFUNDING AND
IMPROVEMENT REVENUE BONDS
(SUMMIT TECHNOLOGY CENTER PROJECT)
SERIES 2007**

AMENDED AND RESTATED TRUST INDENTURE

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Exhibit A - Form of Bond

AMENDED AND RESTATED TRUST INDENTURE

THIS AMENDED AND RESTATED TRUST INDENTURE, dated as of ~~April~~May 1, 2016 (the “Indenture”), is between the **CITY OF LEE’S SUMMIT, MISSOURI**, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the “Issuer”), and **UMB BANK, N.A.**, a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set forth under the laws of the United States of America, with its principal office located in the City of Kansas City, Missouri, as Trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under the Article VI, Section 27 of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Lee’s Summit Charter (collectively the “Act”), to issue its revenue bonds for the purpose of providing funds to purchase, construct, extend and improve manufacturing, commercial, warehousing and industrial development projects and to lease or otherwise dispose of such projects to private persons or corporations upon such terms and provisions as the Issuer deems advisable; and

WHEREAS, the Issuer on June 18, 1998 issued its Taxable Industrial Development Revenue Bonds (Townsend Summit, LLC), Series 1998, in the maximum principal amount of \$100,000,000 (the “Series 1998 Bonds”), for the purpose of providing funds to finance the costs of purchasing and constructing an industrial development project in Lee’s Summit, Missouri, including land, buildings and fixtures (the “Original Project”), and, in connection therewith, the Issuer leased the Original Project to Townsend Summit, LLC, a Delaware limited liability company (“Townsend”); and

WHEREAS, in 2007, Townsend agreed to sell a portion of the Original Project consisting of the currently improved property consisting of two buildings of approximately 1,037,985 square feet together (the “2007 Project”) with the real property on which such improvements are located (which is legally described in Exhibit A to the Original Lease (defined below)) to KC Summit Technology LLC, a Delaware limited liability company (the “Company”); and

WHEREAS, in connection with the sale of the 2007 Project to the Company, the Company requested that the Series 1998 Bonds be refunded by the issuance by the Issuer of its Taxable Industrial Development Refunding Revenue Bonds (Summit Technology Center Project), Series 2007 (the “Bonds”), in the maximum principal amount of \$51,590,988.52; and

WHEREAS, pursuant to Ordinance No. 6460 passed on August 2, 2007, the Issuer (i) entered into a Trust Indenture dated as of August 1, 2007 (the “Original Indenture”), with UMB Bank, N.A., Kansas City, Missouri, as bond trustee (the “Trustee”), for the purpose of issuing and securing the Bonds, and (ii) entered into the Lease Agreement dated as of August 1, 2007 (the “Original Lease”) with the Company under which the Issuer caused the proceeds of the Bonds to be used to refund the Series 1998 Bonds and leased the 2007 Project to the Company in consideration of payments to be made by the Company to the Trustee which are to be sufficient to pay the principal of and interest on the Bonds as the same become due; and

WHEREAS, On December 17, 2015, the Company sold a portion of the 2007 Project consisting of the north building of the Lee’s Summit Technology Center (the “North Building”), together with the

real property on which such improvements are located, to Cerner Properties, Inc., a Delaware corporation (“Cerner”); and

WHEREAS, in connection with the sale of the North Building to Cerner, the Company and the Issuer entered into the First Supplemental Lease Agreement dated as of December 1, 2015, (the “First Supplemental Lease”), for the purpose of (i) modifying the amounts of the payments in lieu of taxes payable by the Company under the Original Lease (to account for the removal of the North Building), (ii) amending the legal description of the 2007 Project (to remove the North Building), and (iii) making other conforming changes thereto; and

WHEREAS, the Company now requests that the Issuer approve (i) an increase in the size and scope of the 2007 Project, (ii) the issuance of additional Taxable Industrial Development Revenue Bonds under the Original Indenture in the principal amount of not to exceed \$6,500,000 (increasing the authorized amount of the Bonds to a maximum principal amount of \$58,090,988.52), (iii) the extension of the term of the *ad valorem* real property tax abatement on the 2007 Project, (iv) the modification of the amounts of the payments in lieu of taxes payable by the Company under the Original Lease, as previously supplemented, and (v) the modification of the Original Lease to extend the term thereof through December 31, 2028; and

WHEREAS, the Issuer, in accordance with Section 100.050 of the Act, has prepared a plan for industrial development (the “2016 Plan”) for the Company, with respect to a project consisting of (1) the design and construction of improvements to the south building of the Lee’s Summit Technology Center and (2) associated site work and infrastructure, all at a cost of approximately not to exceed \$6,500,000 (the “2016 Project,” and together with the 2007 Project, collectively, the “Project”); notice of the 2016 Plan and the 2016 Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act and the Issuer now desires to approve the 2016 Plan; and

WHEREAS, the Issuer desires to finance the costs of the 2016 Project out of the proceeds of the Bonds; and

WHEREAS, pursuant to Ordinance No. _____7850 passed by the City Council on March 31, 2016, the Issuer ~~(i) approved the~~ 2016 Plan, (ii) will enter into; and

WHEREAS, pursuant to Ordinance No. _____ passed by the City Council on May ___, 2016, the Issuer will (i) enter into this Indenture for the purpose of issuing and securing the Bonds, and ~~(iii) will enter into the~~ Amended and Restated Second Supplemental Lease Agreement dated as of ~~April~~ May 1, 2016 (the “Second Supplemental Lease,” together with the Original Lease and the First Supplemental Lease, collectively, referred to herein as the “Lease Agreement”), with the Company, under which Lease Agreement the Issuer ~~will lease~~ has leased the Project to the Company in consideration of payments to be made by the Company to the Trustee which are to be sufficient to pay the principal of and interest on the Bonds as the same become due; and

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and the sum of one dollar duly paid to the Issuer by the Trustee, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer in trust, pledge, assign and grant a security interest unto the Trustee and its successors and assigns forever, the property described below (said property being herein called the "Trust Estate"), to wit:

a. All right, title and interest of the Issuer in, to and under the [Lease](#) Agreement, including all Lease Payments and other payments, revenues and receipts derived by the Issuer under and pursuant to and subject to the provisions of the [Lease](#) Agreement (except for the Issuer's rights to receive payments in lieu of taxes and other amounts for its own account under **Sections 5.2(a), (c), (d), (e) and (f)** and **5.6** of the [Lease](#) Agreement and the Issuer's rights to indemnification and payment of attorneys' fees under **Section 6.6** of the [Lease](#) Agreement); and

b. All moneys and securities from time to time held by the Trustee under the terms of this Indenture, and any and all other personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Issuer or by anyone in the Issuer's behalf, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

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

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

PROVIDED, HOWEVER, that if the Issuer pays, or causes to be paid, the principal of and interest on the Bonds, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or provides for the payment thereof (as provided in **Article XI** hereof), and pays or causes to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights thereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

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

ARTICLE I
DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Indenture, the following words and terms as used herein shall have the following meanings:

“2016 Project” has the meaning set forth in the Recitals hereto.

“Act” means the Article VI, Section 27(b) of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Lee’s Summit Charter, as amended.

~~**“Agreement”** means the Amended and Restated Lease Agreement dated as of the date of this Indenture, between the Issuer and the Company, as from time to time amended and supplemented in accordance with the provisions thereof and of Article X of this Indenture.~~

“Bond Counsel” means an attorney or firm of attorneys with a nationally recognized standing in the field of municipal financing approved by the Issuer and the Trustee.

“Bond Documents” means this Indenture, the Bonds, the Lease 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 “Bond Documents” are used in the context of the authorization, execution, delivery, approval or performance of Bond Documents by a particular party, the same shall mean only those Bond Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

“Bondowner” shall have the same meaning as the term “Registered Owner.”

“Bonds” means the Taxable Industrial Development Refunding and Improvement Revenue Bonds (Summit Technology Center Project), Series 2007, in the maximum stated principal amount of **\$58,090,988.52**, issued, authenticated and delivered under and pursuant to this Indenture.

“Business Day” means any day other than (a) a Saturday or Sunday, or (b) a day on which commercial banking institutions in the State of Missouri or in any city which the principal corporate trust office of the Trustee is located are authorized or required by law to be closed.

“Company” means KC Summit Technology LLC, a Delaware limited liability company, and its successors and assigns.

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

“**Company’s Lender**” means Bank of America, N.A. and any successor lender of the Company financing the Project.

“**Completion Date**” means the date of execution of the certificate required by **Section 4.6** of the Lease and **Section 404** of this Indenture and filed with the Trustee.

“**Debt Service Fund**” means “City of Lee’s Summit, Missouri, Debt Service Fund -- Summit Technology Center” created in **Section 401** of this Indenture.

“**Event of Default**” means (a) with respect to this Indenture, any Event of Default as described in **Section 701** hereof, and (b) with respect to the [Lease](#) Agreement, any Event of Default as described in **Section 9.1** thereof.

“**First Supplemental Lease**” has the meaning set forth in the recitals to this Indenture.

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

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

“**Issuer**” means City of Lee’s Summit, Missouri, a constitutional charter city and municipal corporation organized and existing under the laws of the State of Missouri, and the Issuer’s successors and assigns.

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

“**Lease Agreement**” means the Lease Agreement dated August 1, 2007, as supplemented by the First Supplemental Lease and the Second Supplemental Lease, each between the Issuer and the Company, as may be further amended and supplemented in accordance with the provisions thereof and of **Article X** of this Indenture.

“**Lease Payments**” means the payments described in **Section 5.1** of the [Lease](#) Agreement.

“**Lease Term**” means the period from the effective date of the [Lease](#) Agreement until the expiration thereof pursuant to **Section 3.2** of the [Lease](#) Agreement.

“**Leasehold Deed of Trust**” means a leasehold deed of trust that complies with the provisions of **Section 3.7** of the [Lease](#) Agreement.

“**Outstanding**” means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to this Indenture;

- (b) Bonds deemed to be paid in accordance with the provisions of **Section 1102** hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture.

“**Owner**” or “**Registered Owner**” when used with respect to any Bond means the person in whose name such Bond is registered on the bond register maintained by the Trustee.

“**Payment Date**” means any date on which principal of or interest on the Bonds is payable pursuant to the Bonds.

“**Permitted Encumbrances**” means, as of any particular time:

- (a) the lien and security interest of the [Lease](#) Agreement and any Leasehold Deed of Trust;
- (b) liens for taxes, assessments and other governmental charges not then delinquent;
- (c) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the Issuer;
- (d) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Company; and
- (e) any other liens on the Project expressly permitted by the [Lease](#) Agreement or approved in writing by the Owners of all of the Bonds Outstanding.

“**Permitted Investments**” means any of the following securities, if and to the extent the same are at the time legal for investment of the Issuer’s funds:

- (a) Government Securities;
- (b) obligations of the following, to the extent unconditionally guaranteed as to timely payment of principal and interest by the United States of America: 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;
- (c) certificates of deposit, whether negotiable or nonnegotiable, time deposits or other deposit arrangements issued by any bank or trust company organized under the laws of any State of the United States of America or any national banking association (including the Trustee and its affiliates), provided that such certificates of deposit shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) and (b), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust

company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee an undertaking satisfactory to the Trustee that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(d) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee and its affiliates) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York; provided, however, that any repurchase agreement must be secured by any one or more of the securities described in clauses (a) or (b) above; or

(e) money market mutual funds (including those of the Trustee or its affiliates) that are registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940 and that are rated in either of the two highest categories by Moody's and Standard & Poor's.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

~~**“Plans and Specifications”** means the plans and specifications prepared for and showing the Project, as amended by the Company from time to time before the Completion Date, the same being on file at the office of the Company and which shall be available for reasonable inspection during normal business hours and upon not less than one Business Day's prior notice by the Issuer, the Trustee and their duly appointed representatives.~~

“Project” means the Project described in the recitals of this Indenture, including the 2007 Project, the 2016 Project and the Project Site, and all additions, modifications, improvements, replacements and substitutions made to the Project pursuant to the [Lease](#) Agreement, as they may at any time exist.

“Project Costs” means all costs of the construction, renovation and improvement of the 2016 Project, including the following:

(a) all costs and expenses necessary or incident to the construction, renovation and improvement of the 2016 Project, which the Company conveys to the City;

(b) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of professionals and consultants in relation to the construction, renovation and improvement of the 2016 Project or the issuance of the Bonds;

(c) all costs and expenses of every nature incurred in construction and improving the 2016 Project and otherwise improving the Project Site, including the actual cost of labor and materials, machinery, furnishings and equipment as payable to contractors, builders and

materialmen in connection with the construction, renovation and improvement of the 2016 Project;

(d) interest accruing on the Bonds during the construction period of the 2016 Project, if any;

(e) the cost of title insurance policies and the cost of any other insurance maintained during the construction period in accordance with **Article VI** of the [Lease](#) Agreement;

(f) reasonable expenses of administration, supervision and inspection properly chargeable to the 2016 Project, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses, and initial fees and expenses of the Trustee to the extent that said fees and expenses are necessary or incident to the issuance and sale of the Bonds or the construction, renovation and improvement of the 2016 Project;

(g) all other items of expense not elsewhere specified in this definition as may be necessary or incident to: (1) the authorization, issuance and sale of the Bonds, including costs of issuance of the Bonds; (2) the construction, renovation and improvement of the 2016 Project; and (3) the financing thereof; and

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

“Project Fund” means “City of Lee’s Summit, Missouri, Project Fund -- Summit Technology Center” created in **Section 401** of this Indenture.

“Project Site” means all of the real estate described in **Exhibit A** to the [Lease](#) Agreement and by this reference made a part hereof.

“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.

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

“Second Supplemental Lease” has the meaning set forth in the recitals to this Indenture.

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

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

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

Section 102. Rules of Interpretation.

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

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

(c) All references in this Indenture to designated “Articles”, “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Indenture as originally executed.

(d) The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

ARTICLE II

THE BONDS

Section 201. Authorization, Issuance and Terms of Bonds.

(a) There is issued and secured by this Indenture an issue of Bonds in the maximum stated principal amount of \$58,090,988.52 for the purpose of providing funds to (i) refund the Series 1998 Bonds and (ii) finance the costs of the 2016 Project, which issue of Bonds are designated “**Taxable Industrial Development Refunding and Improvement Revenue Bonds (Summit Technology Center Project), Series 2007**” (herein called the “Bonds”). The Bonds are dated the date of their issuance and delivery to the original purchaser thereof and shall become due on **December 1, 2028** (subject to prior redemption as hereinafter provided in **Article III**). The maximum stated principal amount of the Bonds authorized under this Indenture is **\$58,090,988.52**.

(b) The Bonds shall bear interest from the date thereof, or from the most recent interest payment date to which interest has been paid or duly provided for, at the per annum equal to **6.853%**, computed as set forth in the Bonds.

(c) Principal and interest on the Bonds shall be payable in installments as set forth in the Bonds. The Trustee is hereby designated as and shall act as the paying agent for the payment of the principal of and interest on the Bonds and as bond registrar for the registration and transfer of Bonds hereunder.

(d) The Bonds shall be issuable in the form of fully registered Bonds without coupons. The Bonds and the Trustee’s Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in **Exhibit A**. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

Section 202. Limited Obligations.

(a) The Bonds and the interest thereon shall be limited obligations of the Issuer payable solely out of the Trust Estate (including, in certain circumstances, Bond proceeds and income from the

temporary investment thereof and proceeds from insurance and condemnation awards), and are secured by a pledge and assignment of the Trust Estate to the Trustee in favor of the Owners of the Bonds, as provided in this Indenture. The Bonds and the interest thereon shall not constitute an indebtedness of the City of Lee's Summit, Missouri, or of the State of Missouri, and neither said City nor said State shall be liable thereon beyond their respective interests, if any, in the Trust Estate. In no event shall the Bonds be payable out of any funds or properties other than those acquired for the purpose of the Act, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

(b) No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application of the payments, revenues and receipts derived by the Issuer under the [Lease](#) Agreement as hereinabove provided. Neither the governing body of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 203. Execution, Authentication and Delivery of Bonds.

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

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit A** hereof, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have 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. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any 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.

(c) Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Issuer and the Trustee, the following:

(1) An original or certified copy of the Ordinance adopted by the City Council of the Issuer authorizing the issuance of the Bonds and the execution of this Indenture and the [Lease](#) Agreement;

(2) An original executed counterpart of this Indenture and the [Lease](#) Agreement;

(3) A request and authorization to the Trustee on behalf of the Issuer, executed by the Issuer Representative, to authenticate the Bonds and to deliver the Bonds to the original purchaser. The Trustee shall be entitled to conclusively rely upon such request and authorization as to the names of the purchasers and the amount of such purchase price;

(4) An opinion of Bond Counsel to the effect that the Bonds constitute valid and legally binding obligations of the Issuer; and

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

(d) When the documents specified in subsection (c) of this Section 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 to or upon the order of the original purchaser of the Bonds.

Section 204. Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed bond registrar and as such shall keep books for the registration and for the transfer of Bonds as provided in this Indenture. Each Bond when issued shall be registered in the name of the owner thereof on the registration books kept by the Trustee. The Bonds may be transferred only upon the registration books maintained by the Trustee as provided in the Bonds.

(b) Each Bond presented or surrendered for transfer shall be duly endorsed, or be accompanied by a written instrument of transfer in form reasonably satisfactory to the Trustee, as bond registrar, duly executed by the owner thereof or his attorney or legal representative duly authorized in writing, and shall be accompanied by the documentation required by the Bonds.

(c) The Trustee may make a charge reasonable to the Bondowner requesting the same for every such transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer, and such charge shall be paid before such Bond shall be delivered to the transferee. The reasonable charges of the Trustee for making any transfer hereunder and shall be paid by the Company.

(d) At reasonable times and under reasonable regulations established by the Trustee, the bond registration books kept by the Trustee may be inspected and copied by the Issuer, the Company or by the Owners (or a designated representative thereof) of any Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

(e) The person in whose name any Bond shall be registered as shown on the bond registration books required to be maintained by the Trustee shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid, unless such payment is thereafter required to be disgorged by such Registered Owner.

(f) Notwithstanding anything contained herein to the contrary, the Registered Owner shall have the right, from time to time, to assign the Bonds as collateral security for any loan made to the Registered Owner or any of its affiliates; and any such assignment shall not require the prior consent of the Trustee or the Issuer, nor shall any opinion of counsel be required in connection therewith. No merger of estates shall occur as a result of the holder of the Bonds being the Company, its affiliates or any successor or assign of either under the [Lease](#) Agreement.

Section 205. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity of the Trustee satisfactory to the Trustee. In the event any such Bond shall have matured, the Trustee may, instead of issuing a substitute Bond, pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond, the Issuer and the Trustee may require the payment of an amount sufficient to reimburse the Issuer and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 206. Cancellation and Destruction of Bonds upon Payment. All Bonds which have been paid or redeemed which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled by the Trustee immediately upon the payment or redemption of such Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so canceled, and shall file executed counterparts of such certificate with the Issuer and the Company. All Bonds canceled under any of the provisions of this Indenture shall be destroyed by the Trustee.

ARTICLE III

PREPAYMENT AND REDEMPTION OF BONDS

Section 301. Prepayment and Redemption of Bonds. The Bonds shall be subject to prepayment and redemption prior to their stated maturity in accordance with the terms and provisions set forth in the Bonds and in this Article. The Trustee shall immediately remit any prepayments received on the Bonds to the Registered Owners.

Section 302. Selection of Bonds to Be Prepaid and Redeemed. Bonds may be prepaid and redeemed only in the principal amount of **\$5,000** or any integral multiple thereof. For all purposes in connection with any prepayment and redemption, each **\$5,000** of face value shall be treated as though it were a separate Bond of the denomination of **\$5,000**.

ARTICLE IV

FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the Issuer to be designated as follows:

- (a) “City of Lee’s Summit, Missouri, Debt Service Fund -- Summit Technology Center” (herein called the “Debt Service Fund”); and
- (b) “City of Lee’s Summit, Missouri, Project Fund -- Summit Technology Center” (herein called the “Project Fund”).

Section 402. Deposit and Application of Bond Proceeds. \$51,590,988.52 of the proceeds of the Bonds shall be used to refund the Series 1998 Bonds and \$6,500,000 of the proceeds of the Bonds shall be deposited in the Project Fund and used to pay the costs of constructing and improving the 2016 Project.

Section 403. Disbursements from the Project Fund.

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

(b) If the Trustee is deemed to have deposited into the Project Fund the amount specified in the requisition certificates submitted by the Company, the Trustee shall upon endorsement of the Bonds in an equal amount be deemed to have disbursed such funds from the Project Fund to the Company (or such other purchaser designated by the Company) in satisfaction of the requisition certificate.

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

Section 404. Completion of the 2016 Project. The completion of the 2016 Project and all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the Completion Certificate required by the provisions of **Section 4.6** of the [Lease](#) Agreement. As soon as practicable any balance remaining in the Project Fund shall without further authorization be transferred to and deposited in the Debt Service Fund and applied as provided in **Section 4.7** of the [Lease](#) Agreement.

Section 405. Deposit and Application of Moneys in the Debt Service Fund.

(a) The Trustee shall deposit into the Debt Service Fund, as and when received, the following:

(1) All Lease Payments payable by the Company to the Issuer specified in **Section 5.1** of the [Lease](#) Agreement; and

(2) All other moneys received by the Trustee under and pursuant to any of the provisions of the [Lease](#) Agreement when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

(b) Except as provided in subsection (c) of this Section and in **Section 708** hereof, moneys in the Debt Service Fund shall be expended solely for the payment of the principal of and interest on the Bonds as the same mature and become due or upon the redemption thereof prior to maturity. The Issuer hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the Bonds as the same become due and payable.

(c) The Trustee, upon written direction of the Issuer and the Company, shall use any moneys in the Debt Service Fund (1) to redeem all or part of the Bonds Outstanding, and (2) to pay interest to accrue thereon prior to such redemption, in accordance with and to the extent permitted by **Article III** hereof so long as the Company is not in default with respect to any payments under the Lease Agreement and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption.

(d) After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in this Indenture), and the fees, charges and expenses of the Trustee and any other amounts required to be paid under this Indenture and the Lease Agreement, all amounts remaining in the Debt Service Fund shall be paid to the Company.

Section 406. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of or interest on the Bonds or the date fixed for prepayment and redemption of any Bonds is not a Business Day, then payment of principal of or interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

ARTICLE V

SECURITY FOR DEPOSITS AND INVESTMENT OF MONEYS

Section 501. Moneys to Be Held in Trust. All moneys deposited with or paid to the Trustee for the account of any Fund under any provision of this Indenture shall be held by the Trustee in trust and shall be applied only in accordance with the provisions of this Indenture and, until used or applied as so provided, all such moneys shall constitute part of the Trust Estate and be subject to the lien hereof. The Trustee shall not be under any liability for interest on any moneys received hereunder except interest earned on investments made pursuant to **Section 502** of this Indenture.

Section 502. Investment of Moneys. Moneys held in the Funds under this Indenture shall, pursuant to written direction of the Company given by the Company, be separately invested and reinvested by the Trustee in Permitted Investments which mature or are subject to redemption by the owner prior to the date when such moneys will be needed. In the event that the Trustee has not received written instructions in accordance with the preceding sentence, the Trustee may invest at its discretion any moneys held in the Funds hereunder in Permitted Investments specified in paragraph (e) of the definition of Permitted Investments. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times to be a part of the Fund in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Permitted Investments shall be credited to and accumulated in such Fund, and any loss resulting from such Permitted Investments shall be charged to such Fund. So long as no Event of Default has occurred and is continuing under this Indenture, upon written request of the Company Representative, the Trustee shall pay the interest earnings accrued on investments of moneys in the Funds to the Company. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in any Fund is insufficient for the purposes of such Fund. In determining the balance in any Fund, investments in such Fund shall be valued at the lower of their original cost or their fair market value as of the most recent Payment Date. The Trustee may make any and all investments permitted by the provisions of this Section through its own bond department or any affiliate or short-term investment department.

Section 503. Record Keeping. The Trustee shall maintain records designed to show compliance with the provisions of this Article and with the provisions of **Article IV** for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI

GENERAL COVENANTS AND PROVISIONS

Section 601. Payment of Principal and Interest. The Issuer covenants and agrees that it will, but solely from the payments, revenues and receipts derived from the Trust Estate, promptly pay or cause to be paid the principal of and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Nothing herein shall be construed as requiring the Issuer to operate the Project as a business other than as lessor or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 602. Authority to Execute Indenture and to Issue Bonds. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Missouri 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 limited obligations of the Issuer according to the import thereof.

Section 603. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings of its governing body pertaining thereto. Should there be a default under this Indenture or the [Lease Agreement](#), the Issuer shall fully cooperate with the Trustee and with the Bondowners, to the end of fully protecting the rights and security of the Bondowners hereunder.

Section 604. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures (subject to **Article IX** hereof) and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better pledging and assigning unto the Trustee the Trust Estate, property and rights herein described to secure the payment of the principal of and interest on the Bonds. The Issuer covenants and agrees that it will not sell, lease, assign, pledge, encumber or otherwise dispose of any part of the Project or the payments, revenues and receipts derived therefrom or from the [Lease Agreement](#) or any of its rights and interest under the [Lease Agreement](#).

Section 605. [Reserved].

Section 606. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the payments, revenues and receipts derived from the Project shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee or the Bondowners may from time to time designate.

Section 607. Enforcement of Rights under the [Lease Agreement](#). The [Lease Agreement](#), a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Company, including provisions that subsequent to the issuance of the Bonds and prior to their payment in full or provision for payment thereof in accordance with the

provisions hereof the [Lease](#) Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Trustee, and reference is hereby made to the same for a detailed statement of the covenants and obligations of the Company thereunder. The Issuer agrees that the Trustee, as assignee of the [Lease](#) Agreement, in the Trustee's name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Company under and pursuant to the [Lease](#) Agreement for and on behalf of the Bondowners, whether or not the Issuer is in default hereunder.

Section 608. Performance of Duties under the [Lease](#) Agreement and Other Bond Documents. The Trustee hereby accepts and agrees to perform all duties and obligations assigned to it under the [Lease](#) Agreement and the other Bond Documents.

Section 609. Corporate Existence of the Issuer; Compliance with Laws. The Issuer will at all times maintain its corporate existence or assure the assumption of its obligations under this Indenture by any public body succeeding to its powers under the Act, and it will maintain, preserve and renew all the rights and powers provided to it by the Act; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to this Indenture or the [Lease](#) Agreement.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an Event of Default under this Indenture:

- (a) Default in the due and punctual payment of any interest on any Bond as and when due;
- (b) Default in the due and punctual payment of the principal of any Bond, whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;
- (c) Default in the performance or observance, other than as specified in subsections (a) and (b) of this Section, of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained, and the continuance thereof for a period of **30** days after written notice thereof shall have been given to the Issuer and the Company by the Trustee, or to the Trustee, the Issuer and the Company by the Owners of not less than **25%** in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such **30**-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within such period and diligently pursued until the default is corrected (unless it would constitute an Event of Default under any other subsection hereof); or
- (d) An "Event of Default" as specified in **Section 9.1** of the [Lease](#) Agreement shall have occurred and is continuing.

With regard to any alleged default specified in paragraph (c) of this Section concerning which notice is given to the Company under the provisions of this Section, the Issuer hereby grants the Company full authority for the account of the Issuer to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the

Issuer, with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts in order to remedy such default.

Section 702. Acceleration of Maturity in Event of Default.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of the Owners of not less than **25%** in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Issuer and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

(b) If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal of and interest on the Bonds, together with all default interest and proper fees, charges, advances and expenses (including without limitation attorney's fees and expenses) of the Trustee, and all other sums then payable by the Issuer under this Indenture shall be paid, then and in every such case the Trustee shall, but only with the approval of the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding (in such Owners' sole and absolute discretion), rescind such declaration and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of Lease Payments as provided in **Section 9.2** of the [Lease Agreement](#).

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

Section 703. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession. If an Event of Default shall have occurred and be continuing, the Issuer, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Issuer pertaining thereto, and including the rights and position of the Issuer under the [Lease Agreement](#), and to hold, operate and manage the same, and from time to time make all needful repairs and improvements as shall be deemed wise by the Trustee; and the Trustee may lease the Project or any part thereof, in the name and for account of the Issuer, and collect, receive and sequester the rents, revenues and receipts therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including without limitation (i) reasonable fees, costs and expenses to the Trustee, its agents and counsel, (ii) any charges, advances and expenses of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this Indenture, which the Trustee may deem it wise to pay, and (iv) all expenses of such repairs and improvements, and the Trustee shall apply the remainder of the moneys so received in accordance with the provisions of **Section 708** hereof. Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default. While in possession of such property, the Trustee shall render annually to the Issuer and the Company a summarized statement of receipts and expenditures in connection therewith.

Section 704. Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights and remedies 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, or any part thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 705. Exercise of Remedies by the Trustee.

(a) If an Event of Default shall have occurred and be continuing, the Trustee may, and if requested to do so by the Owners of not less than **25%** in aggregate principal amount of Bonds then Outstanding and indemnified as provided in **Section 801(i)** hereof the Trustee shall, pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding, including foreclosure, or exercise such one or more of the rights and remedies conferred by this Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners, to enforce the payment of the principal of and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

(b) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to the provisions of **Section 707** hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 706. Limitation on Exercise of Remedies by Bondowners. No Bondowner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified or is deemed to have notice as provided in **Section 801(h)** hereof, (b) such default shall have become an Event of Default, (c) the Owners of not less than **25%** in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered to the Trustee indemnity as provided in **Section 801(i)**, and (d) the Trustee shall thereafter fail or refuse to exercise the powers and remedies herein granted or to institute such action, suit or proceeding in its own name; it being understood and intended that no one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 707. Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and (to the extent not inconsistent with this Section) of this Indenture.

Section 708. Application of Moneys in Event of Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and of the reasonable fees, expenses, liabilities and advances (including without limitation attorney's fees and expenses) incurred or made by the Trustee, be deposited in the Debt Service Fund. All moneys so deposited in the Debt Service Fund shall be applied as follows:

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

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

Second -- To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment, ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

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

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of **Section 702** hereof, then, subject to the provisions of subsection (a)(2) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a)(1) of this Section.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such payment 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 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.

(c) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section, and all fees, advances and expenses and charges of the Trustee and the Paying Agents and all other sums due hereunder have been paid, any balance remaining in the Debt Service Fund shall be applied as provided in **Section 403(d)** hereof.

Section 709. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 710. Waivers of Events of Default. Subject to the provisions of **Section 702** hereof, the Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of principal of and interest on Bonds, and shall do so upon the written request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under this Indenture on account of any such default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the Company and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

ARTICLE VIII

THE TRUSTEE

Section 801. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys or receivers and shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed or chosen by it with due care. The Trustee shall be entitled to act upon the opinion or advice of counsel, who may be counsel to the Issuer or to the Trustee, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or

damage resulting from any action by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or for the recording or re-recording, filing or refiling of this Indenture or any security agreements or financing statements in connection therewith, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with **Article V** hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered hereunder.

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

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed by the Issuer Representative or Company Representative as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified or of which by **Section 801(h)** the Trustee is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

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

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

(i) 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 Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

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

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

(l) Notwithstanding any other provision of this Indenture to the contrary, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable fees, costs and expenses (including without limitation reasonable 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 (including liability associated with environmental contamination and the cleanup thereof), except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in environmental or other liability to the Trustee, in its individual capacity for which the Trustee has not received indemnity pursuant to **Section 801(I)** hereof from the Owners, and the Trustee may rely upon an opinion of counsel addressed to the Issuer and the Trustee in determining whether any action directed by Owners may result in such liability.

(n) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or conveying rights and duties or affording protection to the Trustee whether in its capacities as trustee, paying agent, bond registrar or in any other capacity, shall be subject to the provisions of this Article.

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

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

(q) The Trustee may inform the Bondowner 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 been adequately indemnified.

Section 802. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of or reimbursement for reasonable fees for its ordinary services rendered hereunder and all

reasonable advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as paying agent and bond registrar for the Bonds. Pursuant to the provisions of **Sections 5.2** and **9.7** of the [Lease](#) Agreement, the Company has agreed to pay to the Trustee all fees, charges and expenses of the Trustee under this Indenture. As security for payment of such compensation, expenses and fees if an Event of Default has occurred and is continuing, 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 hereunder. The Trustee agrees that the Issuer shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all fees, charges and expenses of the Trustee as provided in the [Lease](#) Agreement.

Section 803. Notice to Bondowners if Default Occurs. If an Event of Default occurs of which the Trustee is by **Section 801(h)** hereof required to take notice or if notice of default is given as provided in said Section, then the Trustee shall promptly, but in any event within **10** days of the date of its actual knowledge of such Event of Default, give written notice thereof to the Registered Owners of all Bonds then Outstanding.

Section 804. Intervention by the Trustee. In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Bondowners, the Trustee may intervene on behalf of Bondowners and shall do so if requested in writing by the Owners of at least **25%** of the aggregate principal amount of Bonds then Outstanding.

Section 805. Successor Trustee upon Merger, Consolidation or Sale. Any corporation or association into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 806. Resignation of the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving **30** days' written notice to the Issuer, the Company and the Bondowners whose names and addresses are on file with the Trustee, and such resignation shall take effect upon the earlier of (i) the end of such **30** days or (ii) the appointment of a successor Trustee by the Issuer or by the Owners of at least a majority in aggregate principal amount of Bonds then Outstanding in accordance with **Section 808** hereof; provided, however, that in no event shall the resignation of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted the appointment.

Section 807. Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and the Company and signed by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding.

Section 808. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or shall otherwise become incapable of acting hereunder, or in case it shall be taken under

the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy, the Issuer may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor Trustee so appointed by such Bondowners. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing, be qualified to accept such trust, and have a reported capital and surplus of not less than **\$50,000,000**.

Section 809. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor and the duties and obligations of the predecessor theretofore shall cease and terminate; but such predecessor shall, nevertheless, on the written request of the Issuer, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver to its successor all securities and moneys held by such predecessor as Trustee hereunder. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Section 810. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the [Lease Agreement](#), the Trustee may pay such tax, assessment or governmental charge, or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at a rate per annum equal to the Trustee's published prime rate in effect at the time plus **2%**, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of or interest on the Bonds, and shall be paid out of the proceeds of payments, revenues and receipts collected from the Project, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Owners of at least **25%** of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 811. Trust Estate May Be Vested in Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State of Missouri) denying or restricting the right of banking corporations or associations or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the [Lease Agreement](#), and in particular in case of the enforcement of one or more of the same on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction the Trustee may not exercise any of the powers, rights or remedies herein granted to it, or to take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable for the Trustee to appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

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

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

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

Section 812. Annual Accounting. The Trustee shall render at least annually an accounting to the Issuer, the Company and to any Bondowner requesting the same, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period, and the balance in any Funds created by this Indenture as of the beginning and close of such accounting period.

Section 813. Recordings and Filings. The Issuer and Company shall, on an ongoing basis, execute and deliver all documents, including financing statements, affidavits, notices and similar instruments, and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the security of the Bondowners, to the extent possible under applicable law. The Trustee shall timely file continuations of all Uniform Commercial Code financing statements that were initially filed to evidence any security interest hereunder.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures.

(a) Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Issuer; provided, however, that nothing in this Section contained shall permit or be construed as permitting without the consent of the Owners of **100%** of the Bonds Outstanding (1) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of Bonds, the consent of the Owners of which is required for the execution of any such Supplemental Indenture.

(b) If at any time the Issuer shall request the Trustee to enter into any Supplemental Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Bondowner as shown on the bond registration books required to be maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondowners. If within **60** days or such longer period as may be prescribed by the Issuer following the mailing of such notice, the Owners of not less than **51%** in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Notwithstanding any provision of this **Section 901** to the contrary, the Trustee may, but shall not be obligated to, enter into any Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or any other Bond Documents.

Section 902. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Company shall not become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 903. Opinion of Bond Counsel. 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 shall be entitled to receive, and, subject to **Article VIII**, shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the Issuer stating that the execution of such Supplemental Indenture is authorized and permitted by and in compliance with the terms of this Indenture.

ARTICLE X

AMENDMENTS TO THE LEASE AGREEMENT

Section 1001. Amendments to the Lease Agreement. Neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Lease Agreement without the giving of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 901** hereof. If at any time the Issuer and the Company shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in **Section 901** hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the same are on file at the principal office of the Trustee for inspection by all Bondowners.

Section 1002. Opinions of Bond Counsel. Anything to the contrary in **Sections 1001** or **1002** notwithstanding, before the Issuer and the Trustee consent to any Supplemental Lease Agreement, there shall have been delivered to the Issuer and the Trustee an opinion of Bond Counsel stating that such

amendment is authorized or permitted by the [Lease](#) Agreement and by this Indenture, complies with their respective terms, and will, upon the execution and delivery thereof, be valid and binding upon the Issuer (if the Issuer is a party thereto) in accordance with its terms and an opinion of counsel stating that such amendment will be valid and binding upon the Company.

ARTICLE XI

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1101. Satisfaction and Discharge of the Indenture.

(a) When the principal of and interest on all the Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in **Section 1102** hereof, and all other sums payable hereunder, including the fees and expenses of the Trustee to the date of retirement of the Bonds shall have been paid, then the right, title and interest of the Trustee under this Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Issuer such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Issuer any property at the time subject to this Indenture which may then be in the Trustee's possession, except funds or securities in which such moneys are held by the Trustee for the payment of the principal of and interest on the Bonds.

(b) The Issuer is hereby authorized to accept a certificate of the Trustee stating that the whole amount of the principal and interest so due and payable upon all of the Bonds then Outstanding as evidence of satisfaction of this Indenture, and upon receipt thereof the Issuer shall cancel and erase the inscription of this Indenture from its records.

Section 1102. Bonds Deemed to Be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of such Bonds, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in this Indenture, or otherwise), shall have been made or caused to be made in accordance with the terms hereof. At such time as a Bond shall be paid hereunder, as aforesaid, such Bond shall no longer be secured by or be entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Securities.

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

Section 1103. Rights Retained After Discharge. Notwithstanding the satisfaction and discharge of this Indenture, 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.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Consents and Other Instruments by Bondowners.

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

(1) 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.

(2) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the Issuer maintained by the Trustee.

(b) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds registered in the name of the Company or any affiliate of the Company shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. For purposes of this paragraph, the word "affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company; and for the purposes of this definition, "control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. 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 Company or any affiliate of the Company.

Section 1202. Limitation of Rights under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto and the Owners of the Bonds, any right, remedy or claim under or with respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 1203. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Indenture, provided that notice to the Trustee shall only be effective upon actual receipt, shall be in writing and shall be given to the relevant party by first class mail or telecopy at the address or telecopy number set forth below or at such other address or telecopy number as such party may hereafter specify for such purpose by written notice to the other parties.

(a) To the Issuer:

City of Lee's Summit, Missouri
City Hall
2220 SE Green Street
Lee's Summit, Missouri 64063
Attention: Finance Director
Facsimile: 816-969-7455

(b) To the Trustee:

UMB Bank, N.A.
1010 Grand Blvd., 4th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department
Facsimile: 816-860-3021

(c) To the Company:

KC Summit Technology LLC
c/o Weinreb Management
276 Riverside Drive
Suite 2-G
New York, New York 10025
Attention: Jacob Weinreb
Facsimile: 212-865-6981

With a copy to:

Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, Missouri 64112
Attention: Evan Fitts, Esq.
Facsimile: 816-753-1536

(d) To the Bondowners if the same shall be duly mailed by first-class mail, postage prepaid, addressed to each of the Owners of Bonds at the time Outstanding as shown by the bond registration books kept at the principal corporate trust office of the Trustee.

All notices given by certified or registered mail as aforesaid shall be deemed duly given upon receipt by the addressee. All notices given by first-class mail shall be deemed duly given as of the date they are so mailed, whether received by the addressee or not. All notices given by telecopy shall be deemed duly given upon confirmation of receipt by the addressee. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Company to the other shall also be given to the Trustee. The Issuer, the Trustee and the Company may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 1204. Suspension of Mail Service. If, because of the suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein

provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 1205. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 1206. 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 1207. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1208. Governing Law. This Indenture shall be governed exclusively by and be construed in accordance with the applicable laws of the State of Missouri.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be signed in its name and behalf and attested by its duly authorized officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and behalf and attested by its duly authorized officers, all as of the date first above written.

CITY OF LEE'S SUMMIT, MISSOURI,
as Issuer

[SEAL]

By: _____
Randy Rhoads, Mayor

ATTEST:

Denise Chisum, City Clerk

UMB BANK, N.A.,
as Trustee

By: _____
Name: _____
Title: _____

ATTEST:

Name: _____
Title: _____

EXHIBIT A

(FORM OF BOND)

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND THIS BOND MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED HEREIN.

Bond No. R-1

\$58,090,988.52

UNITED STATES OF AMERICA

STATE OF MISSOURI

CITY OF LEE'S SUMMIT, MISSOURI

**TAXABLE INDUSTRIAL DEVELOPMENT REFUNDING AND
IMPROVEMENT REVENUE BONDS
(SUMMIT TECHNOLOGY CENTER PROJECT)
SERIES 2007**

**Date of Bond
August 9, 2007**

**Interest Rate
6.853%**

**Final Maturity Date
December 31, 2028**

REGISTERED OWNER: KC SUMMIT TECHNOLOGY LLC

**PRINCIPAL AMOUNT: FIFTY-EIGHT MILLION NINETY THOUSAND NINE
HUNDRED EIGHTY-EIGHT DOLLARS AND FIFTY-TWO
CENTS**

CITY OF LEE'S SUMMIT, MISSOURI, a constitutional charter city and municipal corporation duly organized and existing under the laws of the State of Missouri (the "**Issuer**"), for value received, promises to pay, but solely from the source herein specified, to the Registered Owner shown above, or registered assigns as shown on the bond register maintained by **UMB BANK, N.A.** (the "**Trustee**"), the outstanding principal balance on this Bond (up to the Principal Amount shown above), in principal installments as herein specified, with a Final Maturity Date as shown above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and to pay interest on the outstanding principal balance on this Bond in installments as herein specified, until said principal balance is paid in full.

Authorization of Bonds. This Bond is one of a duly authorized issue of Bonds of the Issuer designated "**Taxable Industrial Development Refunding and Improvement Revenue Bonds (Summit Technology Center Project), Series 2007,**" in the maximum aggregate principal amount of **\$58,090,988.52**, and collectively referred to herein as the "**Bonds**"), issued under an Amended and Restated Trust Indenture, dated as of ~~April~~May 1, 2016 (said Amended and Restated Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "**Indenture**"), between the Issuer and the Trustee, for the purpose of providing funds to

refinance and finance the costs of acquisition, construction and improvement of an industrial development project, including land, buildings and fixtures (the “**Project**”), to be leased to KC Summit Technology LLC, a Delaware limited liability company (the “**Company**”), under the terms of ~~an Amended and Restated~~ Lease Agreement dated as of ~~April~~August 1, ~~2016~~2007, between the Issuer and the Company (said Lease Agreement, as supplemented by a First Supplemental Lease Agreement dated as of December 1, 2015 and a Second Supplemental Lease Agreement dated as of May 1, 2016, and as further amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “**Lease Agreement**”), all pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 27 of the Missouri Constitution and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Lee’s Summit Charter, as amended, and pursuant to proceedings duly had by the governing body of the Issuer. The Bonds are equally and ratably secured and entitled to the protection given by the Indenture. Reference is hereby made to the Indenture for a description of the provisions with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds, and the terms upon which the Bonds are issued and secured.

Capitalized words and terms used in this Bond and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

Principal and Interest Payments. This Bond shall be payable in principal installments as set forth below, and shall bear interest from the date hereof computed as set forth below, payable in installments as set forth below.

Scheduled Principal Payments. There are no scheduled principal payments on this Bond. The outstanding principal balance on this Bond, together with accrued and unpaid interest thereon, shall become due and payable in full on the Final Maturity Date.

Principal Prepayments. This Bond is subject to prepayment and redemption prior to maturity at the option of the Company, in whole or in part at any time and from time to time, at a redemption price of **100%** of the principal amount being prepaid and redeemed without prepayment penalty, plus accrued interest thereon to the date fixed for prepayment and redemption..

Interest Payments. Interest on the Outstanding Principal Balance (as defined herein) of this Bond will be paid to the Registered Owner for each day for the period from and including the date of this Bond but excluding the date this Bond shall be paid in full. Interest on the Bonds shall be computed on the outstanding unpaid principal balance from time to time on the basis of a year of **360** days and actual days elapsed (including the first day but excluding the last day) in the period for which interest is payable.

Payment Dates. Accrued interest on this Bond shall be payable **(i)** on the first day of each month, commencing September 1, 2007, **(ii)** upon prepayment (in whole or in part) of this Bond (but only on the principal amount so prepaid), and **(iii)** on the Final Maturity Date, except that interest payable at the Default Rate will be payable from time to time on demand.

Method of Payments. The principal and interest installments due and payable on this Bond on each Payment Date shall be paid to the Registered Owner in lawful money of the United States by check or draft mailed by the Trustee to the person in whose name this Bond is registered at the close of business on the Payment Date for such payment or, if requested by the Registered Owner, by wire transfer in immediately available funds on such Payment Date; provided, however, that principal and interest installments on the Bonds may be paid directly by the Company to the Registered Owner of this Bond, with written confirmation of such payment by the Registered Owner to the Trustee. In such case all

payments of principal and interest on this Bond shall be made in lawful money of the United States, in immediately available funds, without deduction, set-off or counterclaim, to Registered Owner in accordance with wire transfer instructions that Registered Owner will provide to Company, as such may be amended from time to time, not later than **11:00 a.m.** on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). If the due date of any payment would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall be payable for any principal so extended for the period of such extension. The final principal installment on this Bond shall be payable at the Final Maturity Date or upon earlier redemption in whole to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon the presentation and surrender of this Bond at the principal corporate trust office of the Trustee.

Principal Table. The full principal amount of this Bond has been advanced as of the date of this Bond. Prepayments of principal of this Bond may be made to the Registered Owner with written certification of such payment by the Registered Owner to the Trustee and without surrender of this Bond to the Trustee. The Registered Owner of this Bond may record the principal prepayments and outstanding principal balances on this Bond in the Principal Table attached to this Bond; provided, however, the records maintained by the Trustee shall be the official record of such amounts for all purposes, including any transfer of this Bond. Accordingly, any purchaser or other transferee of this Bond should verify with the Trustee the principal of this Bond outstanding prior to such purchase or transfer, and the records of the Trustee shall be conclusive for such purposes. On each date upon which a portion of the Outstanding Principal Balance is paid to the Registered Owner hereof, upon receipt of written certification from the Registered Owner, the Trustee shall enter on its records the principal amount paid on the Bond as “Principal Paid Pursuant To Prepayment Provisions,” and shall enter the then outstanding principal amount of this Bond as “Outstanding Principal Balance” on its records. In the event that payments of principal and/or interest are made directly by the Company to the Registered Owner, the Trustee may conclusively rely upon a certification from the Registered Owner as of the dates and amounts of such payments. On each date upon which a portion of the Outstanding Principal Balance is paid to the Registered Owner hereof pursuant to the prepayment and redemption provisions of the Indenture, the Registered Owner may enter the principal amount paid on this Bond under the column headed “Principal Paid Pursuant To Prepayment Provisions” on the Principal Table and may enter the then outstanding principal amount of this Bond under the column headed “Outstanding Principal Balance”.

Transferability. This Bond shall be registered in the name of the Registered Owner in the bond register maintained by the Trustee and by notation in the space provided on this Bond by the Trustee. This Bond is transferable, only upon satisfaction of the conditions herein set forth, only upon the bond register maintained by the Trustee by the Registered Owner, in person or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon this Bond shall be registered in the name of the transferee in the bond register maintained by the Trustee and by notation in the space provided hereon by the Trustee, upon payment of reasonable service charges. This Bond may not be transferred unless there shall be delivered to the Issuer and the Trustee **(a)** a written certificate, signed by the transferee, stating that **(1)** the transferee is a “qualified institutional buyer” as defined in Rule 144A of the United States Securities and Exchange Commission or is a financial institution or other legal entity that is an “accredited investor” as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, and **(b)** an opinion of counsel acceptable to the Issuer and the Trustee that such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities law. The Issuer and the Trustee may deem and treat the person to whom this Bond has been transferred, whose name this Bond has been registered in the bond register maintained by the Trustee, as the absolute owner hereof for the purpose of receiving payment of or on account of, the principal and interest due hereon and for all other purposes. Notwithstanding

anything contained herein to the contrary, the Registered Owner shall have the right, from time to time, to assign the Bonds as collateral security for any loan made to the Registered Owner or any of its affiliates; and any such assignment shall not require the prior consent of the Trustee or the Issuer, nor shall any opinion of counsel be required in connection therewith. No merger of estates shall occur as a result of the holder of the Bonds being the Company, its affiliates or their successors or assigns or any successor or assign of or under the [Lease](#) Agreement.

Limited Obligation of the Issuer. The Bonds and the interest thereon are limited obligations of the Issuer payable solely out of the Trust Estate under the Indenture, including without limitation Lease Payments and other payments, revenues and receipts derived by the Issuer under the [Lease](#) Agreement (excluding the Issuer's rights to indemnification, payment of attorney's fees and payment of payments in lieu of taxes), and are secured by a pledge and assignment of such payments, revenues and receipts, as provided in the Indenture. The Bonds and the interest thereon do not constitute an indebtedness of the City of Lee's Summit, Missouri, or of the State of Missouri, within the meaning of any constitutional or statutory debt limitation or restriction and neither said City nor said State shall be obligated, directly, indirectly or contingently, to levy any form of taxation therefor or to make any appropriation for their payment.

Limitation of Owner's Rights. The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture (as defined therein), or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Indenture.

Acceleration Upon Default. Upon the occurrence of any Event of Default under the Indenture, the Bond Owner may declare the unpaid principal of and interest on this Bond to be forthwith due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent occurrence of such an Event of Default.

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

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

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, City of Lee's Summit, Missouri, has caused this Bond 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 corporate seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Dated Date shown above.

CERTIFICATE OF AUTHENTICATION

CITY OF LEE'S SUMMIT, MISSOURI

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

By: _____
Title: Mayor

Registration Date: _____

UMB BANK, N.A.,
Trustee

(Seal)

ATTEST:

By: _____
Authorized Signature

By: _____
Title: City Clerk



(FORM OF ASSIGNMENT)

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

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney

to transfer the within Bond on the books kept by the Trustee for the registration and transfer of Bonds,
with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

REGISTRATION OF OWNERSHIP

It is hereby certified that the undersigned has this day registered the within Bond in the name of the owner, as indicated in the registration blank below, on the books kept by the Trustee for such purpose. The principal of this Bond shall be payable only to the registered owner hereof named in the registration blank below, or his legal representative, and this Bond shall be transferable only on the books of the Issuer kept in the office of the Trustee, and by an appropriate notation in such registration blank below.

Date of Registration	Name and Address of Registered Owner	Authorized Trustee Signature
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____
_____	_____ _____ _____	_____

Packet Information

File #: RES. NO. 16-11, **Version:** 1

A RESOLUTION APPROVING THE SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017

Issue/Request:

A resolution approving the Summit Fair Community Improvement District Budget for Fiscal Year ending June 30, 2017.

Key Issues:

The Cooperative Agreement with Summit Fair Community Improvement District requires the City to review and approve the District's Annual Budget.

The District has submitted its budget for Fiscal Year 2017 with total revenues of \$1,262,478, which includes \$727,624 from CID Sales Tax and \$534,854 from CID Special Assessments.

The District proposes Expenditures of \$1,262,478, comprised of \$363,812 of EATS payments to the Summit Fair TIF, \$848,666 pledged to pay District Bond Obligations, and \$50,000 retained to pay Administrative Costs of the District.

The 2017 Budget expects a 1.39% increase in both Revenues and Expenditures.

In addition, the District submitted a Budget for Summit Place Project for the Fiscal Year ending June 30, 2017. The District anticipates receiving \$6,786,692 from the Developer of the Summit Place Project during the fiscal year, and, anticipates expenditures of \$6,786,692 for items related to the development of the Summit Place Project Areas (2a and 2b). No CID Sales Tax Revenues, or bond proceeds are projected to be received for the Summit Place Project during the Fiscal Year ending June 30, 2017.

Proposed Committee Motion:

I move to recommend to the City Council approval of a resolution approving the Summit Fair Community Improvement District budget for the Fiscal Year ending June 30, 2017.

Proposed City Council Motion:

I move for second reading.

I move for adoption.

Background:

The District was formed in 2008 to provide funding for infrastructure improvements and other services within

the boundaries of the District. The District utilizes a one percent sales tax and real property special assessment of \$1.24 per square foot of businesses located in the Summit Fair shopping center as revenue sources.

The Cooperative Agreement between the City and Summit Fair Community Improvement District in Section 5.02 requires the District to submit a proposed budget to the City's Finance Director for comments and to obtain approval of the proposed budget by the City prior to its adoption or expenditures of funds included in the budget.

Impact/Analysis:

The budget for Fiscal Year 2017 allocates 50% of CID Sales Taxes to the Summit Fair TIF as Economic Activity Taxes. The budget allocates all but \$50,000 of the remainder of the CID Sales Taxes to the payment of Debt Service on the Summit Fair Community Improvement District Bonds. The \$50,000 is allocated to pay for administrative costs of the District during Fiscal Year 2017.

The District also submitted a Fiscal Year 2017 budget for the Summit Place Project. The District anticipates receiving \$6,786,692 of Developer Advances for costs incurred related to the Summit Place Project in Project Areas 2a and 2b. The major expenditures for Fiscal Year 2017 are expected to be \$3,684,880 for On-Site Improvements, \$2,425,378 for Off-Site Improvements and \$381,953 for Professional Services related to the Summit Place Project.

Conrad Lamb

Staff recommends approval of a resolution approving the Summit Fair Community Improvement District's Fiscal Year 2017 budget.

**SUMMIT FAIR
COMMUNITY IMPROVEMENT DISTRICT**

**SUMMIT FAIR PROJECT
SUMMIT PLACE PROJECT**

**BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2016
AND ENDING JUNE 30, 2017
BUDGET MESSAGE**

The Summit Fair Community Improvement District (the “**District**”) was formed as a political subdivision of the State of Missouri on April 17, 2008 by the City Council of the City of Lee’s Summit, Missouri (the “**City**”) by Ordinance No. 6619. The City, the District and RED Lee’s Summit East, LLC (the “**Summit Fair Developer**”) entered into a Cooperative Agreement dated October 28, 2008, as amended by the First Amendment to Cooperative Agreement and the Second Amendment to Cooperative Agreement (as amended, the “**Summit Fair Cooperative Agreement**”) pursuant to which the District agreed to undertake the “CID Improvements” (as defined in the Summit Fair Cooperative Agreement). Summit Fair Developer and City also entered into that certain Amended and Restated Tax Increment Financing Contract dated as of May 27, 2008, as the same has been amended by the First Amendment, Second Amendment to Amended and Restated Tax Increment Financing Contract, Third Amendment to Amended and Restated Contract and the Fourth Amendment to Amended and Restated Contract (as amended, the “**Summit Fair TIF Contract**”).

On May 15, 2014 the City adopted Ordinance No. 7465 which added property to the District in connection with the Summit Place project, and the District sales tax immediately became effective in such area. On August 14, 2014, the City, the District and RED LSE, LLC (the “**Summit Place Developer**”) entered into a Cooperative Agreement (the “**Summit Place Cooperative Agreement**”) pursuant to which the District agreed to undertake the certain additional “CID Improvements”, as that term is defined in the Summit Place Cooperative Agreement (hereinafter referred to as the “**Summit Place CID Improvements**”) and to provide for, among other things, the implementation of the CID sales tax for the Summit Place project. Summit Place Developer and City also entered in that certain Tax Increment Financing Contract dated as of August 7, 2014 (the “**Summit Place TIF Contract**”) which, among other things, contemplates the addition of the Summit Place Project to the District and the construction of the Summit Place CID Improvements.

The District has adopted a fiscal year beginning July 1 and ending June 30 of each year, the same as the fiscal year of the City.

The District’s sources of revenue for the Summit Fair project (the “**Summit Fair District Revenues**”) are (i) special assessments levied pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the “**CID Act**”), in an amount equal to one dollar and twenty-four cents (\$1.24) per square foot of building floor area within the Summit Fair project and (ii) a one percent (1%) sales tax imposed on sales within the Summit Fair portion of the District. The District’s one percent (1%) sales tax was imposed beginning July 1, 2009 and the District’s special assessments were assessed and collected beginning with the fiscal year ending June 30, 2011. The District’s source of revenue (the “**Summit Place District Revenues**”) for the Summit Place project is limited to the one percent (1%) sales tax imposed on sales within the Summit Place portion of the District. The Summit Place portion of the District is not subject to the District’s special assessment described above.

The Summit Fair Cooperative Agreement contemplates that “District Obligations” (as defined in the Summit Fair Cooperative Agreement) that are paid with Summit Fair District Revenues may be issued with the approval of the District and the City, the proceeds of which will be used for the purpose of funding all, or an appropriate portion of, the “CID Improvement Costs” (as defined in the Summit Fair Cooperative Agreement). District Obligations were issued by the Industrial Development Authority of Lee’s Summit, Missouri in August of 2012 in the Par Amount of \$11,850,000.00 to partially fund the CID Improvements described in the Summit Fair Cooperative Agreement.

The Summit Place Cooperative Agreement contemplates that “District Obligations” (as defined in the Summit Place Cooperative Agreement) that are paid with Summit Place District Revenues may be issued with the

approval of the District, Summit Place Developer, and the City, the proceeds of which will be used for the purpose of funding all, or an appropriate portion of, the "CID Improvement Costs" (as defined in the Summit Place Cooperative Agreement), but no such obligations have yet been issued.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017

SUMMIT FAIR PROJECT

Proposed Budget
Fiscal Year Ending
June 30, 2017

ESTIMATED REVENUES

CID Sales Tax Revenue ⁽¹⁾	\$727,624
CID Special Assessment Revenue ⁽²⁾	\$534,854
Interest Income	\$0
Bond Issuance - Par Amount	\$0
Transfer of Funds from District Account	\$0
TOTAL ESTIMATED REVENUES	\$1,262,478

PROPOSED EXPENDITURES

1. Land	\$0
2. Site/Landscape	\$0
3. Land for Ward Road (I-470 to Blue Parkway)	\$0
4. Land for Blue Pkwy Realignment N. of Chipman	\$0
5. Demolition - North of Chipman (Blue Parkway)	\$0
6. Blue Parkway (North of Chipman)	\$0
7. Ward Road & Associated Utility Relocations	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0
9. Interest	\$0
10. Revenues Collected by City as EATS	\$363,812
11. District Administrative Costs	\$50,000
12. City Previous Years Administrative Costs/Professional Fees	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0
14. Revenues Pledged for District Obligations - Net	\$848,666
15. District Costs of Formation	\$0
TOTAL PROPOSED EXPENDITURES	\$1,262,478

Notes:

(1) The City's 1% administrative fee has already been deducted from the amounts shown. FYE 2017 estimates per Revenue Study in 2012 CID Bond OS.

(2) The County's 1% collection fee for assessing and collecting the District's special assessments has already been deducted from the amounts shown.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017
WITH COMPARISON TO PREVIOUS TWO YEARS

SUMMIT FAIR PROJECT

	Proposed Budget Fiscal Year Ending June 30, 2017	Estimated (Unaudited) Fiscal Year Ending June 30, 2016	Actual (Audited) Fiscal Year Ending June 30, 2015
<u>ESTIMATED REVENUES</u>			
CID Sales Tax Revenue ⁽¹⁾	\$727,624	\$710,345	\$702,232
CID Special Assessment Revenue ⁽²⁾	\$534,854	\$534,854	\$534,899
Interest Income	\$0	\$0	\$2
Bond Issuance - Net Amount	\$0	\$0	\$0
Transfer of Funds from District Account	\$0	\$0	\$0
TOTAL ESTIMATED REVENUES	\$1,262,478	\$1,245,199	\$1,237,133
<u>PROPOSED EXPENDITURES</u>			
1. Land	\$0	\$0	\$0
2. Site/Landscape	\$0	\$0	\$0
3. Land for Ward Road (I-470 to Blue Parkway)	\$0	\$0	\$0
4. Land for Blue Pkwy Realignment N. of Chipman	\$0	\$0	\$0
5. Demolition - North of Chipman (Blue Parkway)	\$0	\$0	\$0
6. Blue Parkway (North of Chipman)	\$0	\$0	\$0
7. Ward Road & Associated Utility Relocations	\$0	\$0	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0	\$0	\$0
9. Interest	\$0	\$0	\$0
10. Revenues Collected by City as EATS	\$363,812	\$355,173	\$351,116
11. District Administrative Costs	\$50,000	\$50,000	\$50,000
12. City Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
14. Revenues Pledged for District Obligations - Net	\$848,666	\$840,027	\$777,303
15. District Costs of Formation	\$0	\$0	\$0
TOTAL PROPOSED EXPENDITURES	\$1,262,478	\$1,245,199	\$1,178,419

Notes:

(1) The City's 1% administrative fee has already been deducted from the amounts shown. FYE 2016 and FYE 2017 estimates per Revenue Study in 2012 CID Bond OS.

(2) The County's 1% collection fee for assessing and collecting the District's special assessments has already been deducted from the amounts shown.

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017

SUMMIT PLACE PROJECT

Proposed Budget
Fiscal Year Ending
June 30, 2017

ESTIMATED REVENUES

CID Sales Tax Revenue ⁽¹⁾	\$0
Bond Issuance - Par Amount	\$0
Transfer of Funds from District Account	\$0
Developer Advanced Funds	\$6,786,692
TOTAL ESTIMATED REVENUES	\$6,786,692

PROPOSED EXPENDITURES

1. General Conditions	\$38,273
2. Other On-Site Site Improvements	\$3,684,880
3. Off-Site Improvements	\$2,425,378
4. Professional Services (Eng/Arch/Legal/Finance/Other)	\$381,953
5. Interest Carry	\$63,947
6. Closing and Financing Costs	\$42,960
7. General Contingency	\$99,301
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0
9. Interest	\$0
10. Revenues Collected by City as EATS	\$0
11. District Administrative Costs	\$50,000
12. City Previous Years Administrative Costs/Professional Fees	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0
14. Revenues Pledged for District Obligations - Net	\$0
15. District Costs of Formation	\$0
TOTAL PROPOSED EXPENDITURES	\$6,786,692

Notes:

(1) No CID Sales Tax Revenues are projected for the Summit Place Project for Fiscal Year ending June 30, 2017

SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT
BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017
WITH COMPARISON TO PREVIOUS YEAR

SUMMIT PLACE PROJECT

	Proposed Budget Fiscal Year Ending June 30, 2017	Estimated (unaudited) Fiscal Year Ending June 30, 2016	Actual (audited) Fiscal Year Ending June 30, 2015
<u>ESTIMATED REVENUES</u>			
CID Sales Tax Revenue ⁽¹⁾	\$0	\$0	\$0
Bond Issuance - Net Amount	\$0	\$0	\$0
Transfer of Funds from District Account	\$0	\$0	\$0
Developer Advanced Funds	\$6,786,692	\$25,153	\$61,221
TOTAL ESTIMATED REVENUES	\$6,786,692	\$25,153	\$61,221
<u>PROPOSED EXPENDITURES</u>			
1. General Conditions	\$38,273	\$0	\$0
2. Other On-Site Site Improvements	\$3,684,880	\$0	\$0
3. Off-Site Improvements	\$2,425,378	\$0	\$0
4. Professional Services (Eng/Arch/Legal/Finance/Other)	\$381,953	\$153	\$14,663
5. Interest Carry	\$63,947	\$0	\$0
6. Closing and Financing Costs	\$42,960	\$0	\$0
7. General Contingency	\$99,301	\$0	\$0
8. Bond Issuance Expenses, Reserve Funds, etc.	\$0	\$0	\$0
9. Interest	\$0	\$0	\$0
10. Revenues Collected by City as EATS	\$0	\$0	\$0
11. District Administrative Costs	\$50,000	\$25,000	\$0
12. City Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
13. District Previous Years Administrative Costs/Professional Fees	\$0	\$0	\$0
14. Revenues Pledged for District Obligations - Net	\$0	\$0	\$0
15. District Costs of Formation	\$0	\$0	\$46,558
TOTAL PROPOSED EXPENDITURES	\$6,786,692	\$25,153	\$61,221

Notes:

(1) No CID Sales Tax Revenues are projected for the Summit Place Project for Fiscal Years ending June 30, 2016 and June 30, 2017

BUDGET SUMMARY

The District anticipates that the estimated revenues for the fiscal year ending June 30, 2017 from the District's special assessments and the District's 1% sales tax for the Summit Fair Project will total \$1,262,478 and that the District's proposed expenditures for the Summit Fair Project during the fiscal year will total \$1,262,478 leaving a balance of \$0 at the end of the District's fiscal year.

The District anticipates that the estimated revenues for the fiscal year ending June 30, 2017 from Developer Advanced Funds for the Summit Place Project will total \$6,786,692 and that the District's proposed expenditures for the Summit Place Project during the fiscal year will total \$6,786,692 leaving a balance of \$0 at the end of the District's fiscal year.

RESOLUTION NO. 16-11

A RESOLUTION APPROVING THE SUMMIT FAIR COMMUNITY IMPROVEMENT DISTRICT BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2017.

WHEREAS, the Summit Fair Community Improvement District (hereinafter "the District") was formed in 2008 for the purpose of providing funding for infrastructure improvements and other services within the boundaries of the District, which is achieved through a one percent (1%) sales tax and real property special assessment of \$1.24 per square foot of business located in the Summit Fair Shopping Center; and,

WHEREAS, Section 5.02 of the Cooperative Agreement between the City of Lee's Summit and the District requires the City to review and approve the district's Annual Budget prior to its adoption or expenditures being made therefrom; and,

WHEREAS, the District submitted its budget for Fiscal Year 2017 with total revenues of \$1,262,478, which projects and represents revenues of \$727,624 from the sales tax and \$534,854 from the special assessments, and expenditures of \$1,262,478, comprised of \$363,812 of EATS payments to the Summit Fair TIF, \$848,666 for payment of District Bond Obligations, and \$50,000 for administrative costs of the District; and,

WHEREAS, the Finance Director has reviewed the District's proposed budget and recommended the to the City Council approval of the Summit Fair Community Improvement District Budget for Fiscal Year Ending June 30, 2017.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That in compliance with Section 5.02 of the Cooperative Agreement, the City Council hereby approves the Summit Fair Community Improvement District Budget for Fiscal Year Ending June 30, 2017.

SECTION 2. That this resolution shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED AND APPROVED by the City Council for the City of Lee's Summit, Missouri, and APPROVED by the Mayor of said City this _____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED AS TO FORM:

Chief Counsel of Management and Operations Jackie McCormick Heanue



Packet Information

File #: 2016-0137, **Version:** 1

Proclamation for Public Works Week

PROCLAMATION

WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and,

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as the Airport, water, sewers, streets and highways, and public buildings; and,

WHEREAS, the health, safety, and comfort of this community greatly depends on these facilities and services; and,

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works officials; and,

WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the peoples' attitude and understanding of the importance of the work they perform; and,

WHEREAS, the year 2016 marks the 56th annual National Public Works Week sponsored by the American Public Works Association and this year's theme is "Public Works Always There".

NOW, THEREFORE, by virtue of the authority vested in me as Mayor of the City of Lee's Summit, do hereby proclaim the week of May 15 through May 21, 2016, as

NATIONAL PUBLIC WORKS WEEK

and call upon our citizens and civic organizations to acquaint themselves with the issues involved in providing public services and to recognize the contributions made by public works officials each day to our health, safety, comfort, and quality of life.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the City of Lee's Summit, Missouri, this 12th day of May, 2016.

MAYOR RANDALL L. RHOADS

Packet Information

File #: 2016-0158, **Version:** 1

PRESENTATION of 2016 Citizens Leadership Academy

Background:

The first Citizens Leadership Academy was held in 2011, in response to a suggestion from LS 360. This year marks the 5th academy. Last year, an academy was not held due to the City's Sesquicentennial celebration. Participants in the 2016 Academy will be presented to the Mayor and Council.

Presenter: Denise Chisum

Packet Information

File #: 2016-0175, **Version:** 1

A presentation from LS Cares in their mission to reduce marijuana related problems.

Issue/Request:

A representative from LS Cares will be present to provide information on their mission to reduce marijuana related problems.

RESOLUTION NO. 16-

A RESOLUTION OF SUPPORT FOR LEE'S SUMMIT CARES IN THEIR MISSION TO REDUCE MARIJUANA RELATED PROBLEMS.

WHEREAS, Long-term marijuana abuse can lead to addiction. In 2013, there were 7,987 drug treatment admissions with marijuana identified as the "primary drug" abused. 91% of people using publicly-funded treatment services for marijuana were 18 and under at age of first use; and,

WHEREAS, Current research has demonstrated the earlier marijuana use begins, the more likely the user will become dependent on it or other types of drugs later in life. Regular marijuana users have a 40% chance of becoming addicted; and,

WHEREAS, The age of first marijuana use in Missouri is 13.88 years and nationally it is 13.94 years; and,

WHEREAS, 16% of the Missouri youth that reported marijuana use were daily users; and,

WHEREAS, Marijuana impairs the brain's effectiveness, ability to concentrate, coordination and ability to retain information by changing the way sensory information reaches and is processed by the brain. Compared to non-smoking peers, students who smoke marijuana tend to get lower grades and are more likely to drop out of high school. Students who use marijuana before age 15 are three times more likely to have left school by age 16; and,

WHEREAS, in Colorado from 2006-2011, traffic fatalities involving drivers testing positive for just marijuana increased 114%. Colorado began a medical marijuana program from 2000-2009, with expanded medical use from 2009-present and fully legalized in 2012; and,

WHEREAS, Federal excise taxes collected on alcohol in 2007 totaled around \$9 billion; states collected around \$5.5 billion. Combined, these amounts are less than 10 percent of the estimated \$185 billion in alcohol-related costs to health care, criminal justice, and the workplace in lost productivity. It's estimated that taxing marijuana would produce the same gap in tax revenue vs. marijuana related costs (health care, criminal justice, workplace, etc); and,

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council for the City of Lee's Summit, Missouri is against the legalization of marijuana for recreational or medical purposes outside of the FDA process:

SECTION 2. That the City of Lee's Summit will:

- A. Educate the general public of its endorsement of this Resolution.
- B. Educate the Governor and members of the state legislature of its endorsement of this Resolution, to the extent permitted by law, and urge the general public to do the same.

RESOLUTION NO. 16-

PASSED and ADOPTED by the City Council for the City of Lee's Summit, Missouri this _____ day of _____, 2016.

Mayor *Randall L. Rhoads*

ATTEST:

City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

City Attorney *Brian W. Head*

Keeping Missouri Kids Safe

Organizations that support this initiative (as of 5/1/2016):

ACT Missouri

BJC School Outreach and Youth Development

C&S Business Services

Chesterfield Alliance for Positive Youth (CAPY)

City of Ballwin

City of Chesterfield

City of Clarkson Valley

City of Ellettsville

City of Eureka

City of Jefferson

City of Wildwood

Clean Air Kearney

Compass Prevention

Council for Drug Free Youth

Family Counseling Center, Inc.

Foundations for Franklin County, Inc.

Grace Church, Richmond, MO

Jefferson County P.R.I.D.E.

Kearney Holt Community Acting Now

Kearney Lions Club

Lee's Summit CARES

Lee's Summit Police Officers Association

Liberty Alliance for Youth

Missouri Association of Osteopathic Physicians and Surgeons

Missouri Association of Prosecuting Attorneys

Missouri Association of Treatment Court Professionals

Missouri Chapter of the American Academy of Pediatrics

Missouri Coalition of Children's Agencies

Missouri Congress of Parents and Teachers (PTA)

Missouri Narcotics Officers Association

Missouri Police Chiefs Association

Missouri Public Health Association

Missouri Recovery Network

Missouri Sheriff's Association

Missouri Substance Abuse Prevention Network

National Alliance on Mental Illness-Missouri

National Council on Alcoholism and Drug Abuse-St. Louis Area

Osage County Anti Drug Community Action Team

Parkway Alliance for Healthy Communities

Platte County Health Department

Preferred Family Healthcare

Prevention Consultants of Missouri

Rockwood Drug-Free Coalition

Smart Approaches to Marijuana Missouri

St. Joseph Youth Alliance

The Northland Coalition

Tri-County Mental Health Services, Inc.

We Can Be Drug Free Coalition, Butler County Community Resource Council

Keeping Missouri Kids Safe

The Missouri House of Representatives is currently considering legalizing “medical” marijuana. This legislation is being fueled by the millions of private equity, institutional capital and black market monies that fuel the usage and target children to create lifelong users.

Keeping Missouri Kids Safe is a newly-formed coalition of citizens from drug treatment centers, parent networks, medical centers and law enforcement agencies who have joined together to educate Missourians regarding the truth about today’s marijuana.

The Children of Missouri Need Your Help Now!

- ✓ Missouri citizens can unite and stand up against the big business and millions of dollars fueling “medical” marijuana. Citizens of Ohio did it. So can we.
- ✓ Share this information with local government, municipal, civic, religious leaders and members of your network and ask them to join the coalition and/or call their state legislator and tell them to vote NO on “medical” marijuana
- ✓ Recruit new members of the Keeping Missouri Kids Safe coalition
- ✓ Share this information with your family/ friends through social media, conversations, emails, etc.
- ✓ “Like” the Keeping Missouri Kids Safe Facebook page and encourage others to as well
- ✓ Write an opinion piece for your local newspaper and leverage your media contacts to share this information with the public

Non-FDA Approved Medical Marijuana is Dangerous for Children

- Data from Colorado and Washington State show that legalization of “medical” marijuana is dangerous, especially for children
- “Medical” marijuana is not medicine and should be put through the strict FDA process just like all other drugs
- “Medical” marijuana is big business that promotes drug use through marketing, neighborhood dispensaries, marijuana edibles, and targets children, and low income, minority communities
- Legalization of marijuana in other states has led to an increase in crime including robberies, homicides, DWI and a growth in the black market drug business
- Today’s marijuana is more addictive, three – 20 times more potent, and causes erratic, violent and psychotic behaviors that have helped to raise marijuana school suspensions and expulsions in Colorado 40%
- Many states and local communities are walking back legalization of marijuana because of the devastating effect it’s had on communities and children

“Marijuana seems innocent but it’s not. It sucks you in, and before you realize it the damage has been done. Now, I’m drug free. I stopped before it was too late. Who knows what could have happened if I had kept going.” Max, an 18 year-old student who didn’t realize the dangers of today’s marijuana.

<https://www.drugabuse.gov/publications/drugfacts/marijuana-medicine>



Supporting Parents & Children in
Greater Lee's Summit since 1986

What is Marijuana

Marijuana



Photo by Robert F. Bukaty/Associated Press

What is Marijuana Made Of?

More than 400 chemical compounds.

Two primary compounds are:

- THC
delta-9-tetrahydrocannabinol

A psychoactive compound that makes you “high”

Potency between 14.5 – 30% in plant form (~ 4% in 1980s)

- CBD
cannabidiol

A non-psychoactive compound

It is NOT a single substance.

These are important distinctions in understanding today’s marijuana.

Is Marijuana Medicine

Is Marijuana Medicine?

- The Controlled Substances Act (CSA) lists marijuana as a Schedule I substance, meaning federal law designates it as having no medical accepted use, a high risk of abuse, and a lack of accepted safety for use under medical supervision.
- The FDA has not approved marijuana as a safe and effective drug for any indication.
- But.....

FDA Approved

Synthetic Cannabinoids

Marinol[®]

Gesamet[®]

Doctors can prescribe

In FDA Studies

Purified Cannabinoids

Sativex[®]

Epidiolex[®]

**Other purified
cannabinoids**

**Doctors can administer
to patients in studies**

Is Marijuana Medicine?

FDA medications:

- Standardized for purity, potency and dosage

Marijuana and its forms:

- Vary in purity, potency and dosage

To be considered a legitimate medicine, a substance must have well-defined and measurable ingredients that are consistent from one unit to the next.

Source: National Institute s of Health

Why are we legislating medicine instead of using the FDA process?

Is Marijuana Medicine?

FDA medications:

- Standardized for purity, potency and dosage
- Prescribed by physicians

Marijuana and its forms:

- Vary in purity, potency and dosage
- Recommended by physicians or physician certifies symptom

Why are we legislating medicine instead of using the FDA process?

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- Filled by pharmacists

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- Filled by bud tenders

Why are we legislating medicine instead of using the FDA process?

Is Marijuana Medicine?

FDA medications:

- Standardized for purity, potency and dosage
- Prescribed by physicians
- Filled by pharmacists
- Filled at pharmacies

Marijuana and its forms:

- Vary in purity, potency and dosage
- Recommended by physicians or physician certifies symptom
- Filled by bud tenders
- Filled at dispensaries

States do not have to limit the location, hours or number of pharmacies in an area.

Why are we legislating medicine instead of using the FDA process?

Is Marijuana Medicine?

FDA medications:

- Standardized for purity, potency and dosage
- Prescribed by physicians
- Filled by pharmacists
- Filled at pharmacies
- Comes with use/side effects insert with number to call to report side effects

Marijuana and its forms:

- Vary in purity, potency and dosage
- Recommended by physicians or physician certifies symptom
- Filled by bud tenders
- Filled at dispensaries
- Doesn't come with patient insert

Why are we legislating medicine instead of using the FDA process?

Is Marijuana Medicine?

FDA medications:

- Standardized for purity, potency and dosage
- Prescribed by physicians
- Filled by pharmacists
- Filled at pharmacies
- Comes with use/side effects insert with number to call to report side effects
- Prescriptions are NOT taxed in MO

Marijuana and its forms:

- Vary in purity, potency and dosage
- Recommended by physicians or physician certifies symptom
- Filled by bud tenders
- Filled at dispensaries
- Doesn't come with patient insert
- MO bills/petitions tax marijuana

Why are we legislating medicine instead of using the FDA process?

Is Marijuana Medicine?

Researchers Samuel Wilkinson and Deepak D'Souza explain in *the Journal of the American Medical Association* that medical marijuana is considerably different from all other prescription medications in that

“[e]vidence supporting its efficacy varies substantially and in general falls short of the standards required for approval of other drugs by the US Food and Drug Administration (FDA).”

Is Marijuana Medicine?

“Because regulatory standards of the production process vary by state, the composition, purity, and concentration of the active constituents of marijuana are also likely to vary. This is especially problematic because unlike most other prescription medications that are single active compounds, marijuana contains more than 100 cannabinoids, terpenoids, and flavonoids that produce individual, interactive, and entourage effects.”

Is Marijuana Medicine?

“[T]he evidence for use in other conditions—including posttraumatic stress disorder, glaucoma, Crohn’s disease, and Alzheimer disease—relies largely on testimonials instead of adequately powered, double-blind, placebo-controlled randomized clinical trials. For most of these conditions, medications that have been subjected to the rigorous approval process of the FDA already exist.”

Examples of National Group Positions

- American Medical Association
- American Academy of Pediatrics
- American Academy of Family Physicians
- American College of Pediatricians
- American Academy of Child and Adolescent Psychiatry
- American Society of Addiction Medicine
- American Epilepsy Society
- American Glaucoma Society
- American Academy of Ophthalmology
- National Comprehensive Cancer Network
- American Cancer Society
- National Multiple Sclerosis Society
- Narcotics Enforcement Officers Association

General Consensus

- More research
- Use the FDA process
- Better medicines may already be available

'Medical Marijuana' → Recreational?

- **SJR 29** – Creates a right to access medical marijuana.

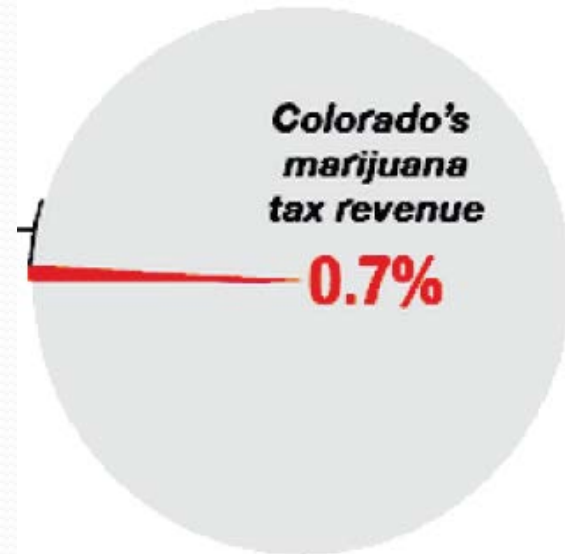
Bill sponsor Sen. Jason Holsman, D-Kansas City, said the complete prohibition on marijuana was an “unsustainable and unwinnable” war.

Holsman said he favored legalizing, regulating and taxing marijuana **but that medical marijuana was an incremental step to move the law forward.**

Lessons from Other States

Marijuana Revenue in CO

- The \$76 million the state collected in legal marijuana taxes and fees in 2014 wasn't "worth it."
~ Colorado Attorney General Cynthia Coffman
- "You do not legalize for taxation. It is a myth. You are not going to pave streets. You are not going to be able to pay teachers. **The big red herring in the whole thing that the tax revenue will solve a bunch of crises. But it won't.**"
~ Andrew Freedman, Director of Marijuana Coordination for the state of Colorado

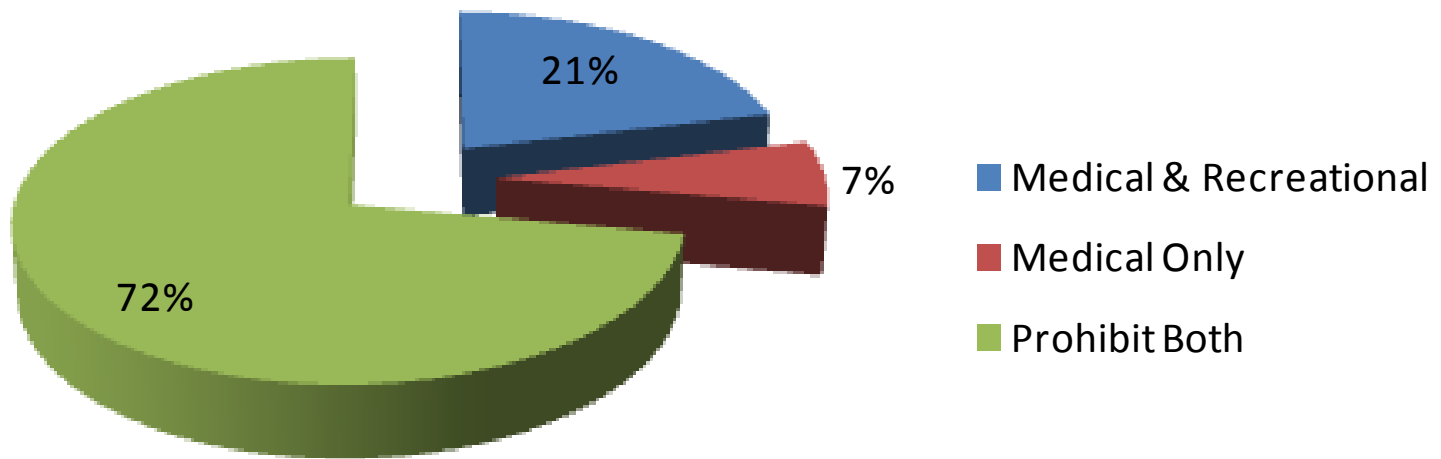


Colorado's forecasted general fund revenue for FY 2015

gazette.com/editorial-federal-report-shows-damning-and-deadly-trends/article/1559389 9/17/15

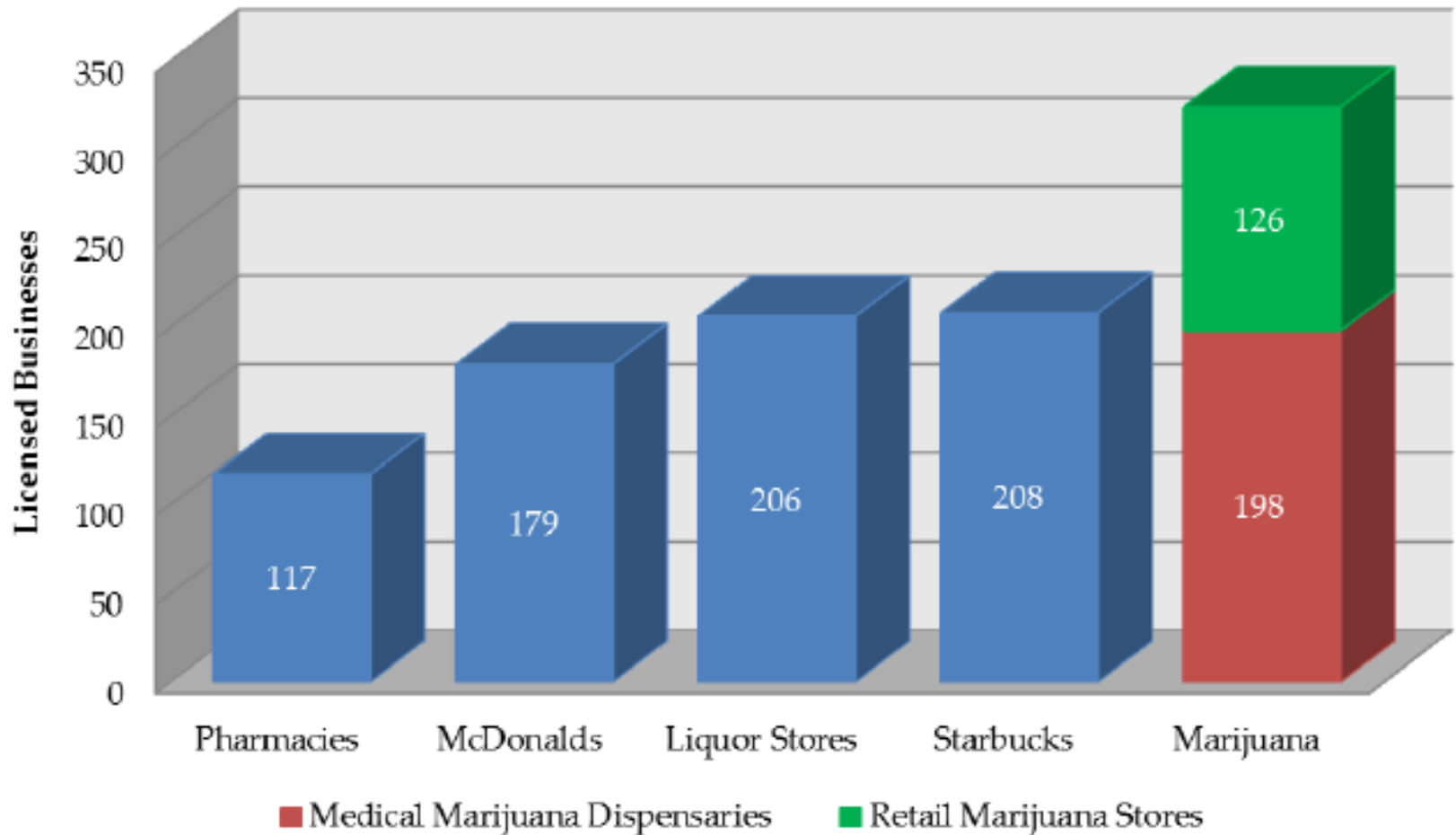
Local Option in CO

Colorado Jurisdictions



Source: Colorado Department of Revenue 2015

Denver Business Comparisons, January 2015



SOURCE: Colorado Department of Revenue; Starbucks Coffee Company, Corporate Office Headquarters; McDonalds Corporation, Corporate Office Headquarters

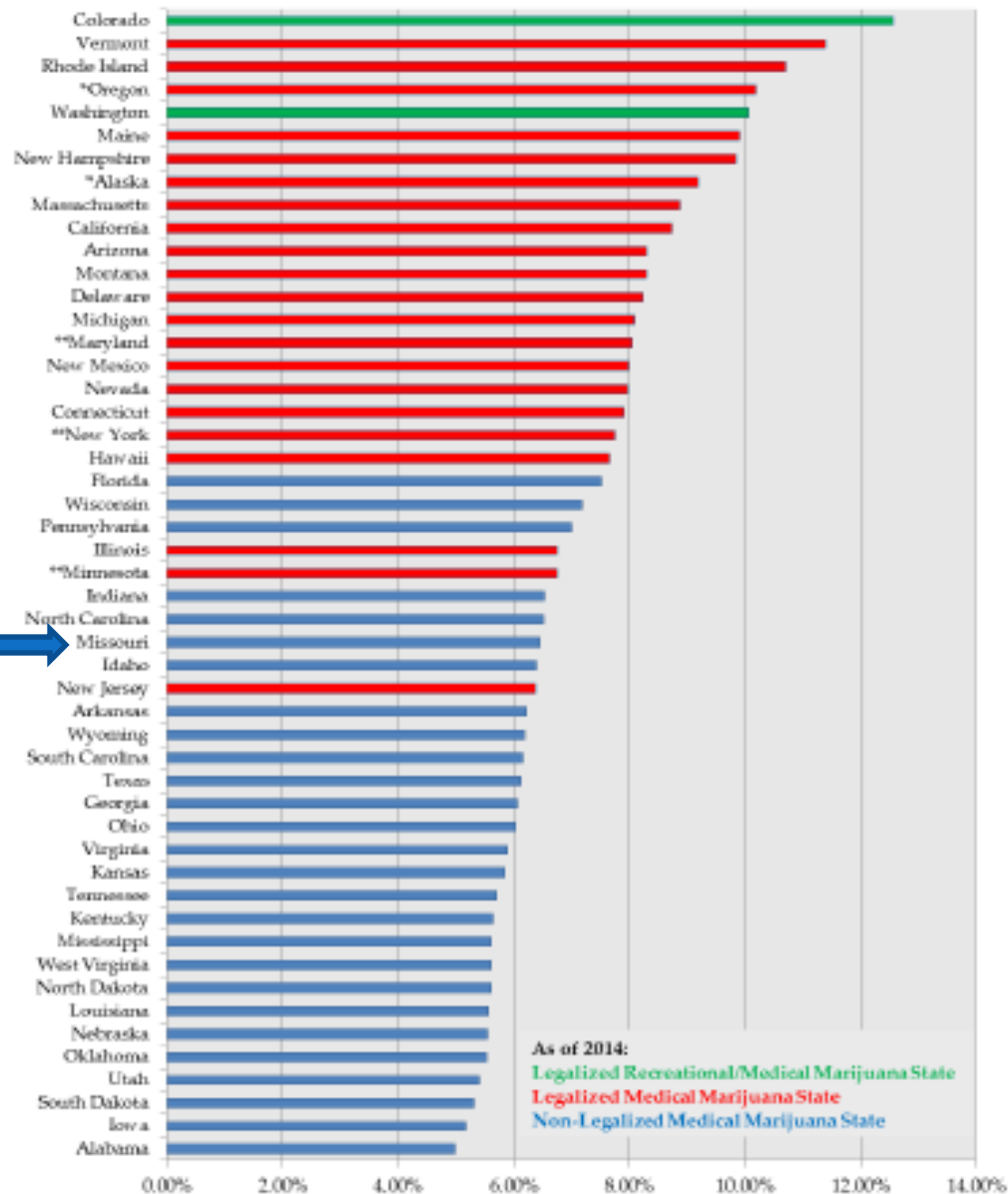
Marijuana Edibles & Marketing



More than half of the daily sales for dispensaries in Colorado come from concentrates, primarily in edible cannabis products - *Denver Post's Cannabist*



Past Month Usage by 12 to 17 Years Old, 2013/2014



SOURCE: SAMHSA.gov, National Survey on Drug Use and Health 2013 and 2014

NOTE:

*Oregon and Alaska voted to legalize recreational marijuana in November 2014

**States that had legislation for medical marijuana signed into effect during 2014

Costs to Employers

Michigan

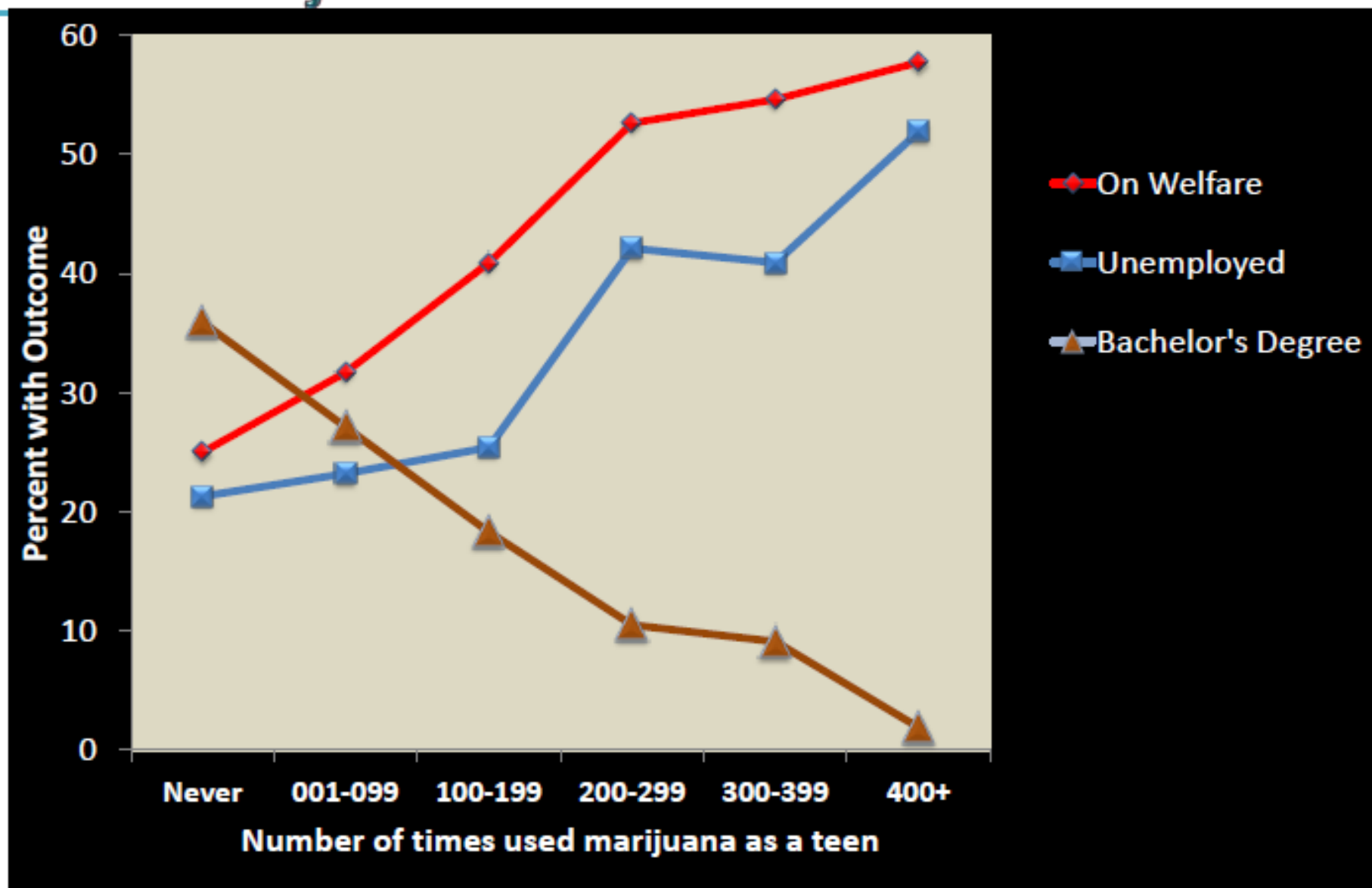
- Requires unemployment compensation to employees fired for failing drug tests if using marijuana under the Michigan Medical Marijuana Act

New Mexico

- Requires employer coverage of medical marijuana as part of workers' compensation benefits

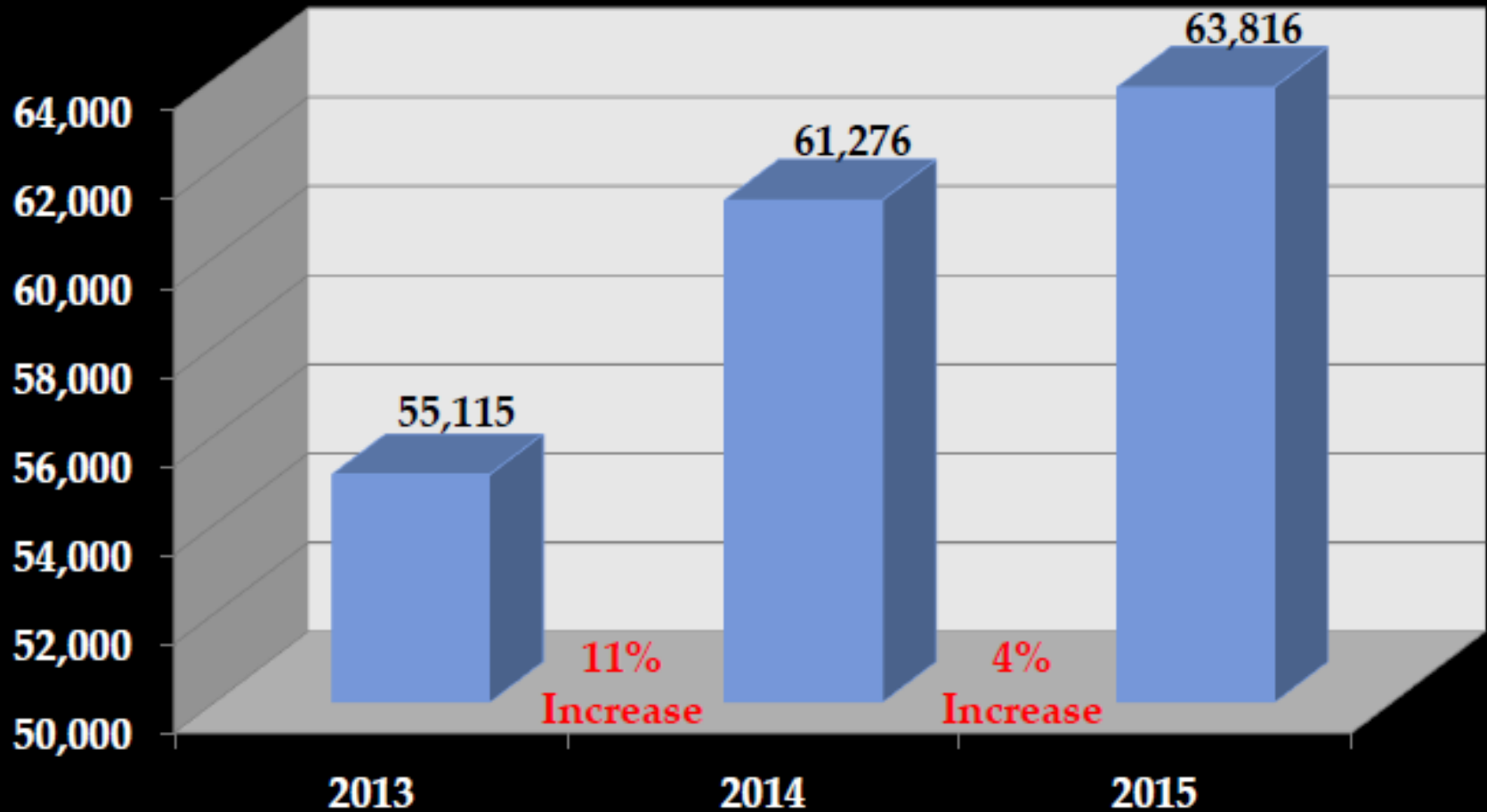
Motivation

Teen Marijuana Use Affects Adult Motivation



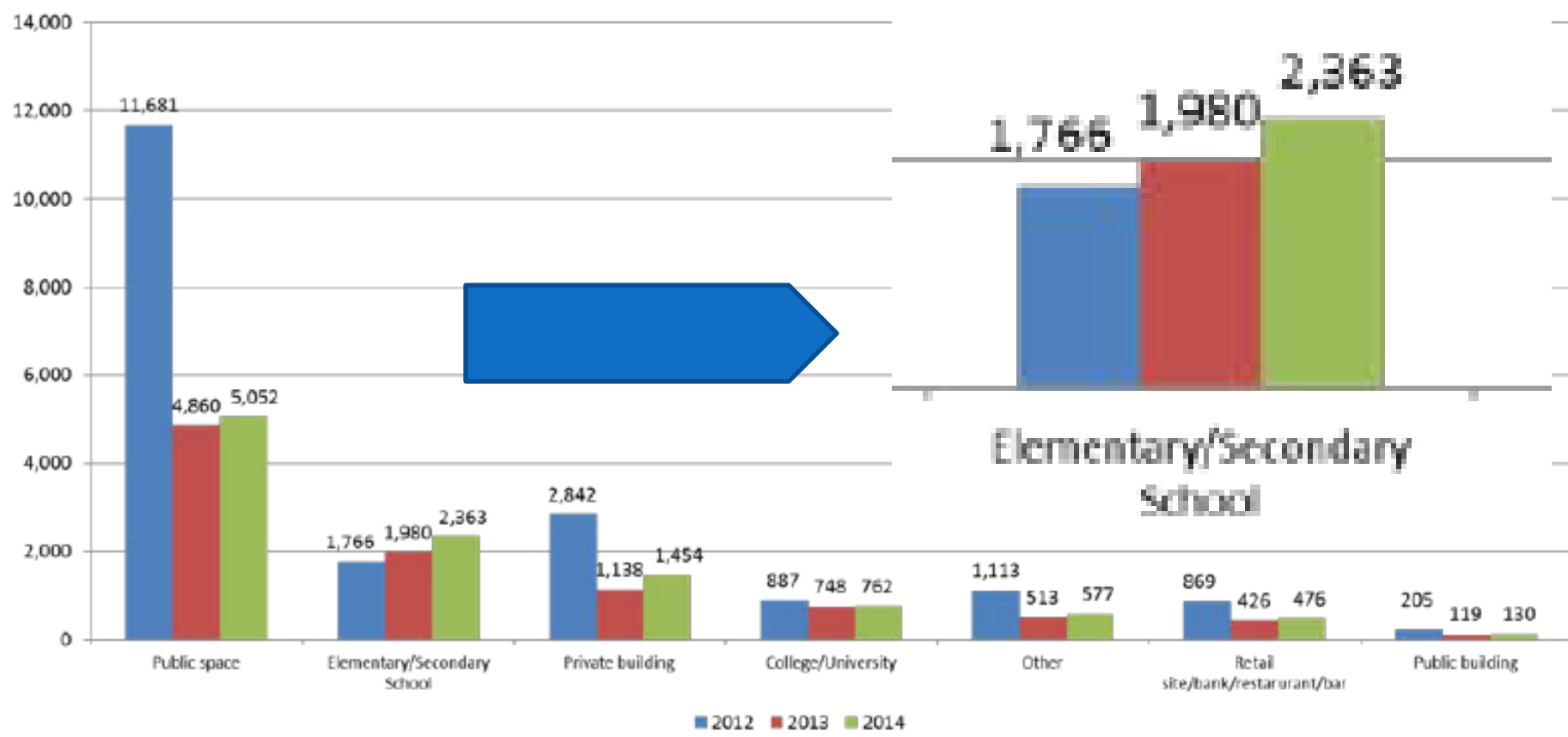
Source: Fergusson and Boden , *Addiction*, 103, pp. 969-976, 2008.

All Reported Crimes in Denver



Reported offenses using the National Incident Based Reporting System (NIBRS) definitions in the City and County of Denver, January 9, 2015

Figure 1. Marijuana offenses, by location type, 2012–2014



Source: Colorado Bureau of Investigation, National Incident-Based Reporting System data.

Schools as Dispensaries

In 2015, New Jersey required schools to accommodate student medical marijuana use.

In January 2016, Auburn, Maine approved a policy to allow students to have medical marijuana under certain conditions.

Colorado is considering a law requiring schools to allow nurses or parents to administer medical marijuana.

What Medical Marijuana Looks Like



Colorado Medical Marijuana



No difference between growing, harvesting and processing of “medical” versus retail marijuana



Marijuana in Missouri

What Is Allowed Now in Missouri?

Decriminalization 2014

- Possession of 10 grams or less of cannabis will be punishable by a fine only (effective 1/1/17).

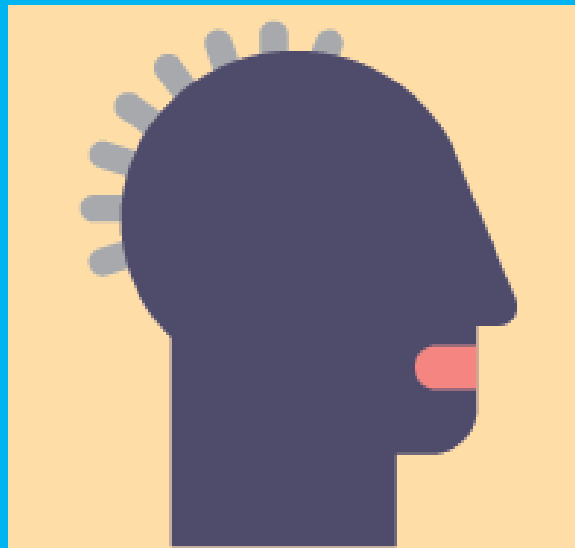
Legalization 2014

- CBD permitted for those with intractable epilepsy



PROTECTING OUR YOUTH

MARIJUANA IN MISSOURI



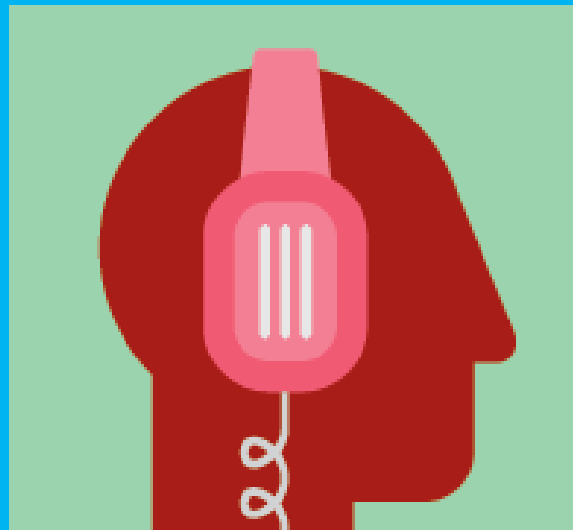
IT CAN BE ADDICTIVE

- 1 in 6 youth who start using marijuana become addicted.

National Institutes of Health/NIDA
2014

- People who begin using marijuana before the age of 18 are 4 to 7 times more likely to develop a marijuana use disorder than adults.

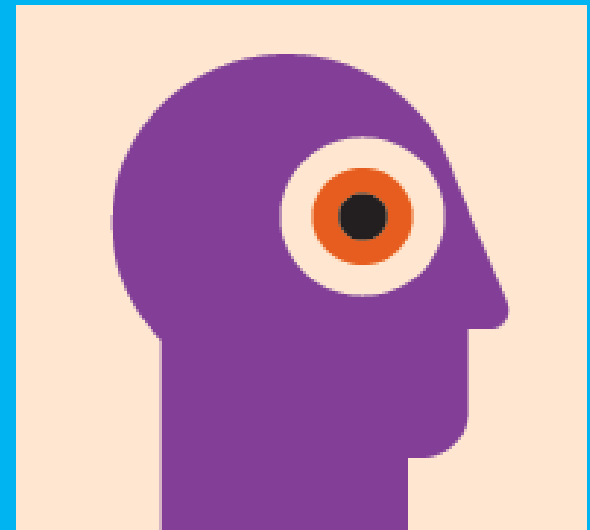
University of Minnesota 2007



AGE OF INITIATION IS CRITICAL

- 1 in 5 (21.2%) high school seniors report using marijuana in the past month. Close to 6% of high school seniors report daily use of marijuana.

Monitoring the Future Survey 2014

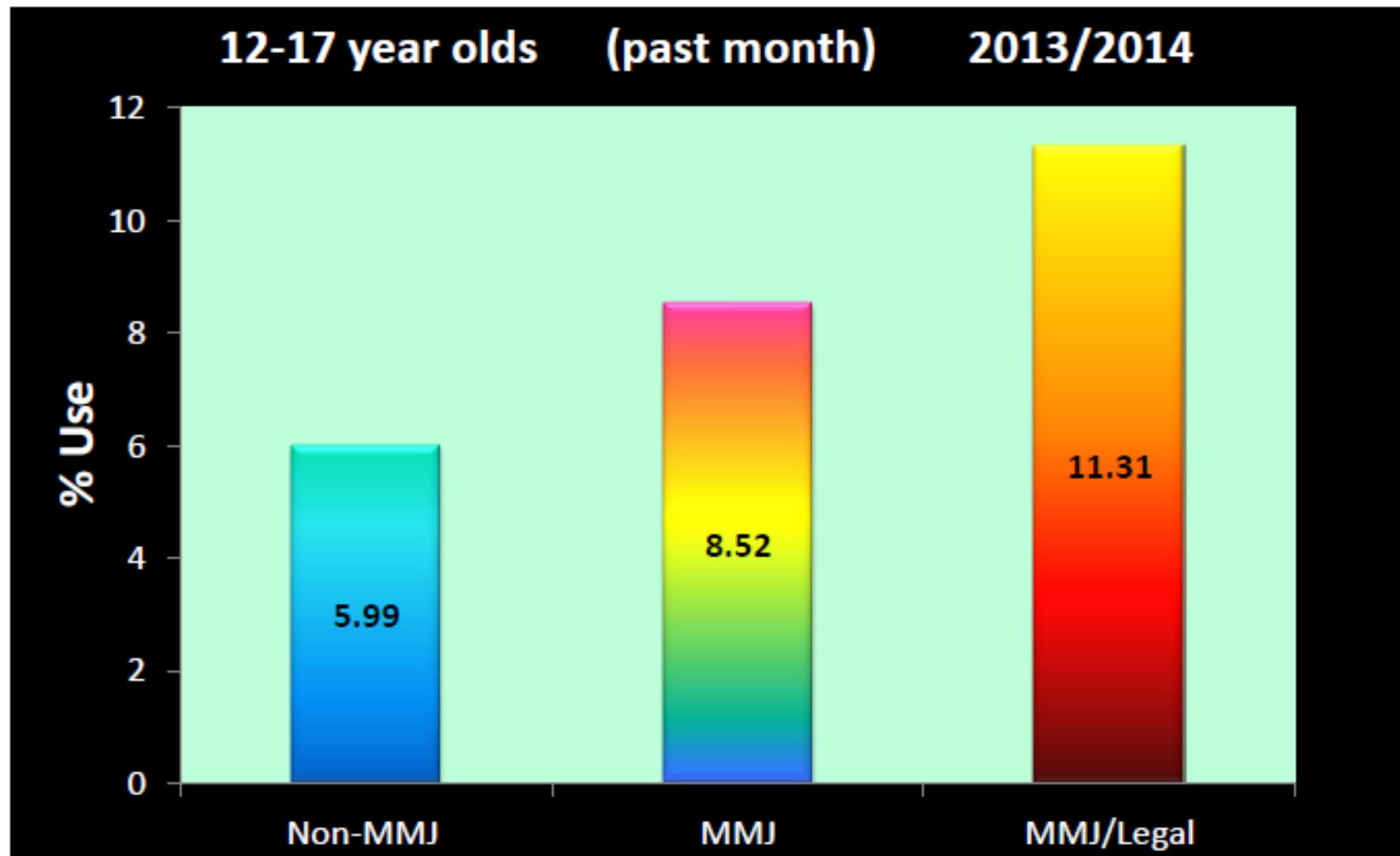


ACCESS CAN INCREASE USE

- Youth marijuana use is highest in states with medicinal or legalized marijuana.

SAMHSA 2013

Marijuana Status and Youth Marijuana Use in U.S.



Source: NSDUH, 2014, Issued 2015

marijuana

MISSOURI

U.S.

AVERAGE AGE OF FIRST USE:

13.88

13.94

LAST 30 DAYS USE:

7.6%

7.2%

LIFETIME USE:

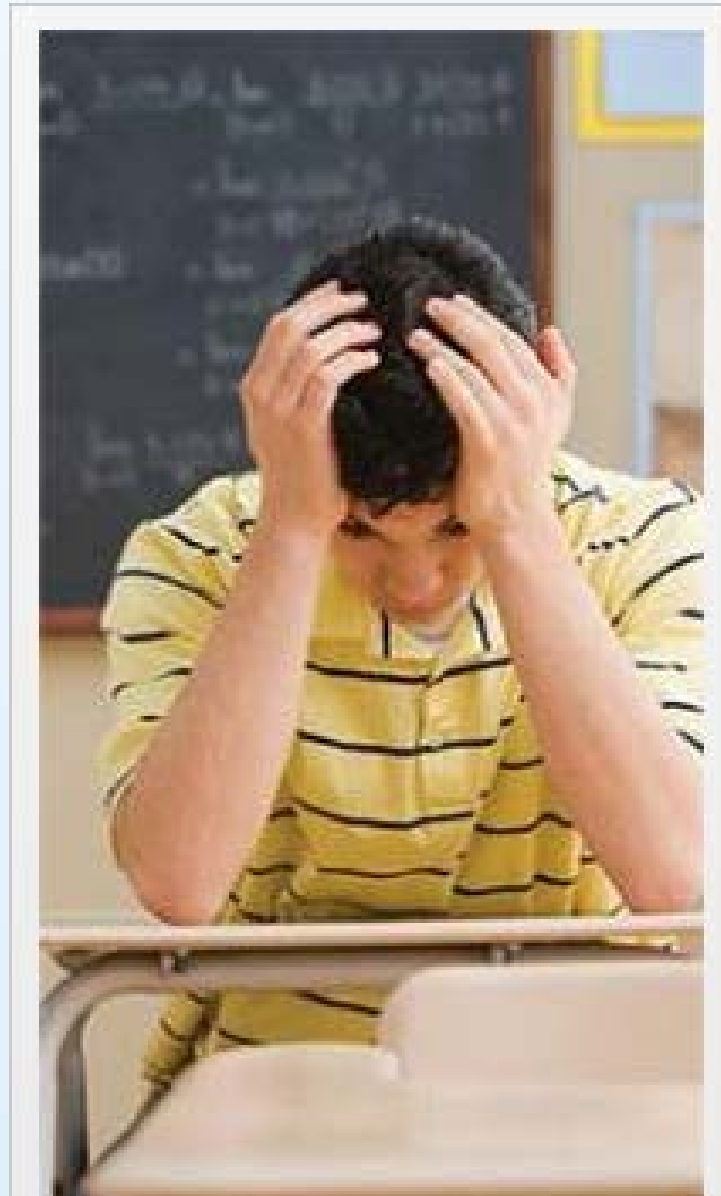
15.2%

17.0%

Adverse Consequences of Marijuana Use

Acute (present during intoxication)

- Impaired short-term memory
- Impaired attention, judgment, and other cognitive functions
- Impaired coordination and balance
- Increased heart rate
- Anxiety, paranoia
- Psychosis (uncommon)



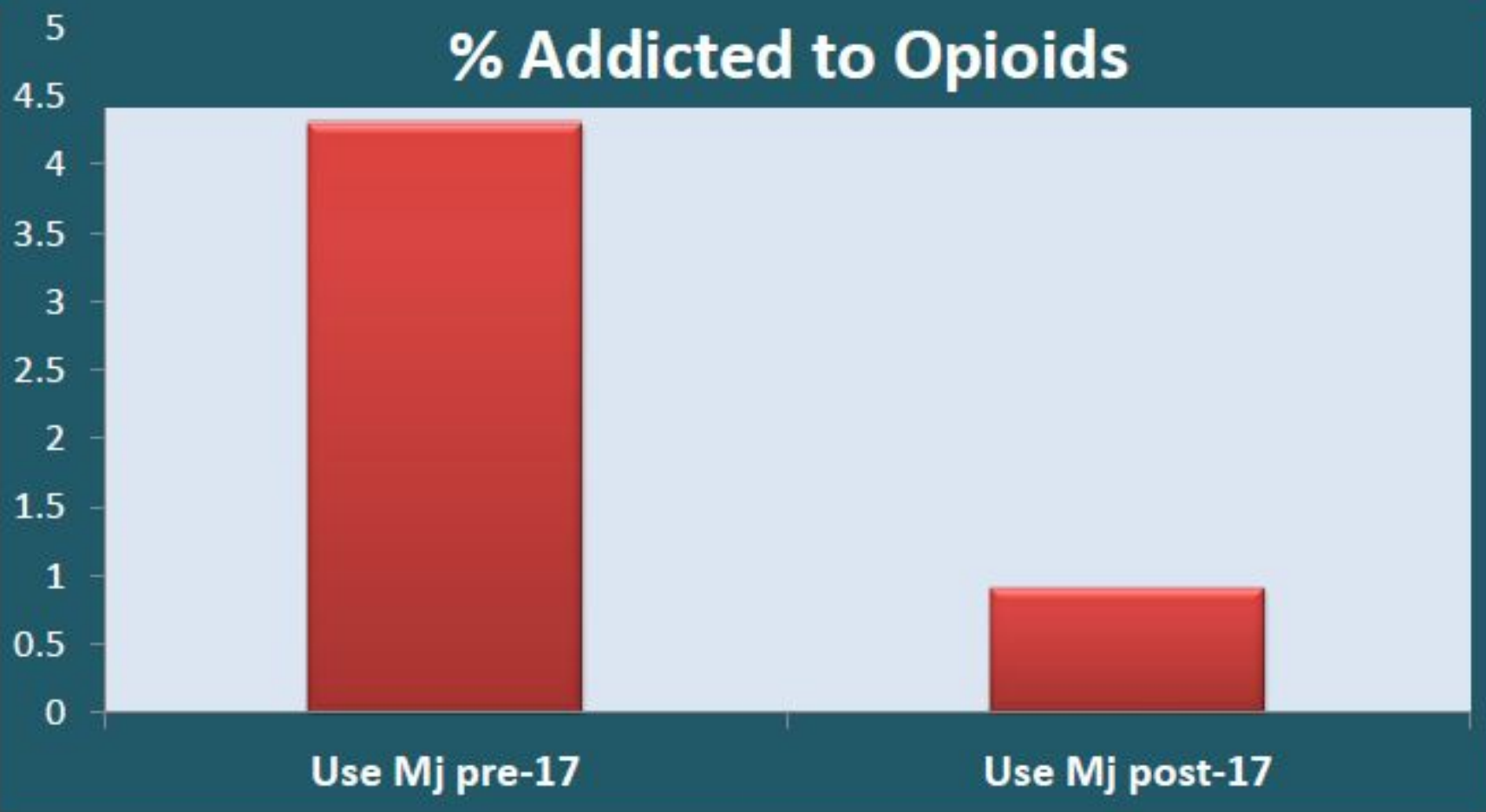
Persistent (lasting longer than intoxication, but may not be permanent)

- Impaired learning and coordination
- Sleep problems

Long-term (cumulative effects of repeated use)

- Potential for marijuana addiction
- Impairments in learning and memory with potential loss of IQ*
- Increased risk of chronic cough, bronchitis
- Increased risk of other drug and alcohol use disorders
- Increased risk of schizophrenia in people with genetic vulnerability**

Marijuana Use Primes Brain to “Like” Opioids: Children at Risk



Michael T. Lynskey; Andrew C. Heath; Kathleen K. Bucholz JAMA, January 22/29, 2003—Vol 289, 427-433

Keeping
Missouri Kids



Safe

MO Groups that Oppose Marijuana Legalization in Any Form

- City of Ballwin
- City of Chesterfield
- City of Clarkson Valley
- City of Ellesville
- City of Eureka
- City of Jefferson
- City of Wildwood
- Missouri Narcotics Officers Association
- Missouri Association of Prosecuting Attorneys
- National Council on Alcoholism and Drug Dependence
- Missouri Sheriffs Association
- Missouri Police Chiefs Association

Join us!

See the full list of 45+ groups/cities at
actmissouri.org/advocacy/resolution-to-reduce-marijuana-related-problems/

(list as of 5/1/16)



Additional Research

Response to Parents of Children with Epilepsy

- “[A]rtisanal "high CBD" oils resulted in no significant reduction in seizures in the majority of patients and in those for whom the parents reported improvements, these improvements were not associated with improvement in electroencephalograms (EEGs), the gold standard monitoring test for people with epilepsy.
- Additionally, in 20% of cases reviewed seizures worsened with use of cannabis and in some patients there were significant adverse events.
- ~ **Amy Brooks-Kayal, M.D., a Colorado pediatrician, 2015 President of the American Epilepsy Society, March 22, 2015**

Response to Parents of Children with Epilepsy

- "We've seen children that have had rather severe reactions while on medical marijuana products," said **Amy Brooks-Kayal, M.D., a Colorado pediatrician who is [the 2015] president of the American Epilepsy Society.** "We don't know if that's from the medical marijuana product or something else, because it wasn't done in a controlled setting."

Dr. Brooks-Kayal supports the clinical trials underway now across the country, and advises parents not to treat their sick children with cannabis oil until clinical trials are complete. As of now, would Dr. Brooks-Kayal recommend to the parents of her young patients that they treat their children with medical marijuana?

- "I would, only if they were doing it as part of a clinical trial. I would not if I could not guarantee the family the quality and safety of the product that they were using, and if they weren't being carefully observed as part of a clinical trial," she said. "There's no question that this treatment is not without risks. There's no question that it does not work for every child. And what we really need to do is complete the good clinical research studies that will get us the answers -- about which children are going to benefit from this, how should we give it, what do we need to be concerned about, and to make sure that we know that the product that we are giving to people with epilepsy is the highest quality and consistent product that they can get. I don't think we have those answers at this point."

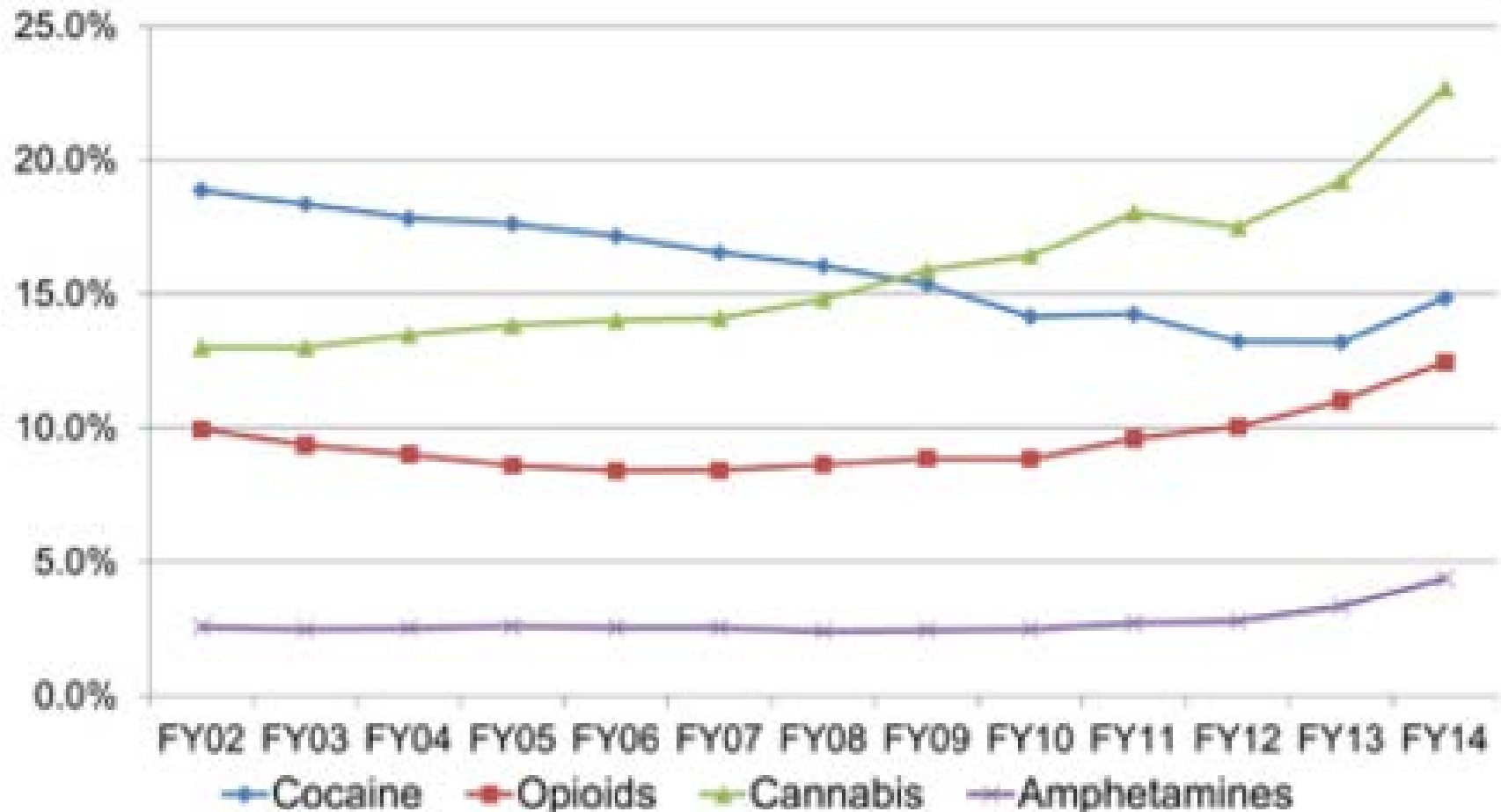


U.S. Department
of Veterans Affairs

Marijuana as a Treatment for PTSD

The belief that marijuana can be used to treat PTSD is limited to anecdotal reports from individuals with PTSD who say that the drug helps with their symptoms. There have been no randomized controlled trials, a necessary "gold standard" for determining efficacy. Administration of oral CBD has been shown to decrease anxiety in those with and without clinical anxiety (18). This work has led to the development and testing of CBD treatments for individuals with social anxiety (19), but not yet among individuals with PTSD. With respect to THC, one open trial of 10 participants with PTSD showed THC was safe and well tolerated and resulted in decreases in hyperarousal symptoms (20).

Trends in Rates of Past-Year SUD Diagnoses by Drug among Veterans with PTSD & SUD Diagnoses Treated in VA Health Care



Marijuana Compared with Alcohol

Marijuana Effects Persist

MARIJUANA

- THC dissolves in fat; cleared slowly
- IMMEDIATE EFFECTS: up to 6 hours
- SUB-ACUTE EFFECTS: can last 6 - 20 days
- LONG-TERM EFFECTS: more than 20 days
- Even if not using now, learning ability may be compromised for several days

ALCOHOL

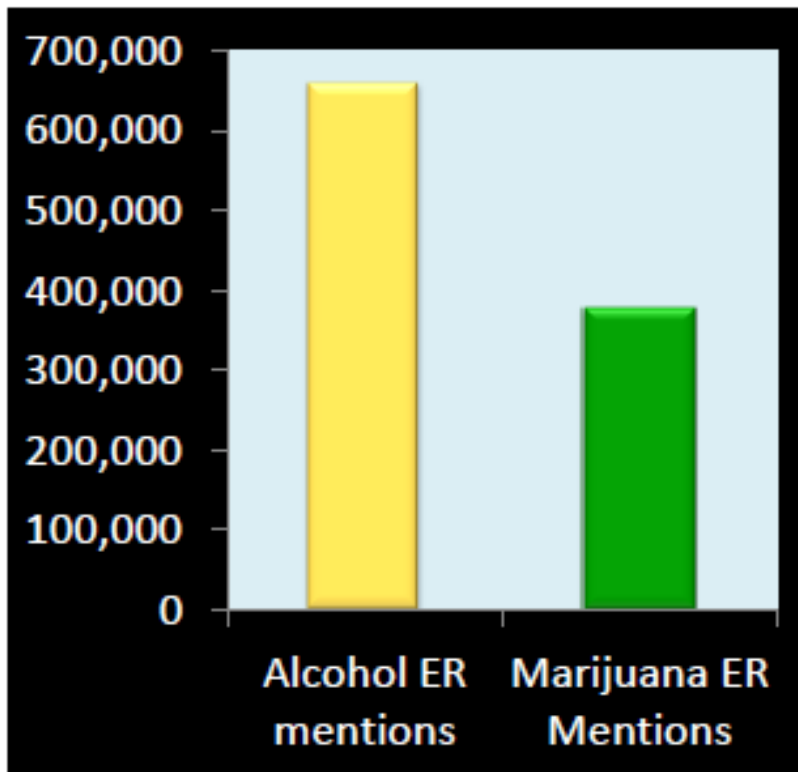
- Alcohol dissolves in water: quickly cleared
- IMMEDIATE EFFECTS: no effects or intoxication depends on amount consumed
- One drink clears the body within ~3 hours
- SUB-ACUTE EFFECTS: do not persist longer than 24 h
- LONG-TERM EFFECTS: depends on how much, how frequently used

Sources: Hall W & Degenhard L (2009). Adverse health effects of non-medical cannabis use. *Lancet*, 374:1383-1391. Jager and Ramsey, 2008

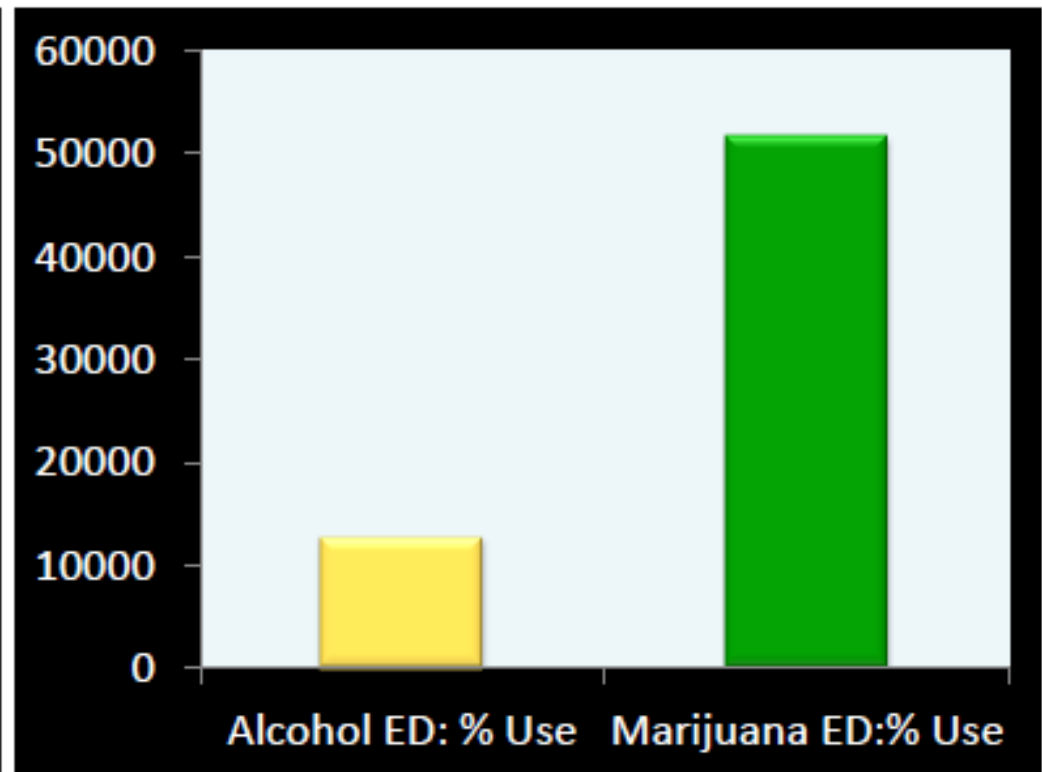
Marijuana Compared with Alcohol

Emergency Department Mentions: Higher Proportion of Marijuana Users Compared with Alcohol users

Numbers of ED Mentions



Ratio of ED Mentions: % of Users



Packet Information

File #: 2016-0167, **Version:** 1

The 2016-17 CDBG Annual Action Plan

Issue/Request:

[Enter text here]

Key Issues:

Staff will present the final draft of the 2016-17 Annual Action Plan for the City's Community Development Block Grant program (CDBG) with CEDC's recommendation on the allocation of the 2016-17 CDBG grant funds as well as reallocation of remaining CDBG funds from various programs/projects funded in prior years.

Proposed City Council Motion:

I move to direct staff to present an ordinance for the adoption of the 2016-17 CDBG Annual Action Plan.

Background:

Lee's Summit is an Entitlement City under the Community Development Block Grant (CDBG) program through the U.S. Department of Housing and Urban Development (HUD). An annual grant is provided to the City to meet the Three National Objectives of the CDBG program: Benefiting low-to-moderate income persons, address slum or blight, and meeting urgent needs. For the 2016-17 program year, CDBG grant amount will be \$369,299 for the Lee's Summit program.

To receive this grant, HUD requires that the City submit an Annual Action Plan each year outlining programs and projects and grant allocation to implement the community goals and objectives established in the City's Consolidated Plan (a 5-year master plan of the program). The City conducts an open public process each year to solicit funding requests from local government and non-profit agencies and prioritize the requests and adopt a plan for implementation of programs and projects approved for funding.

The CEDC held a public hearing on April 18, 2016 as a part of this open public process and recommended approval of the 2016-17 Annual Action Plan and forwarding on to the City Council for adoption by ordinance. The 2016-17 Annual Action Plan includes funding levels for various proposed programs and projects sponsored by City departments and local non-profit agencies. A 30-day public review and comment period was provided starting late March through April 29. No public comments were received by the City.

Impact/Analysis:

The CDBG Program provides annual funding from the federal government to support local housing and support service programs benefiting low-to-moderate income persons and families, which are normally heavily dependent upon grants, donations and other private resources. The program will also help cover part of the City's administrative cost of operating the CDBG Program.

Timeline:

Start: 7/1/2016

Finish: 12/31/2017

Other Information/Unique Characteristics:

Funds allocated for Public Service programs shall be spent before 6/30/2017. Funds allocated for construction related projects should stick to the 18-month rule based on the date of the signing of the grant agreement, but may be extended if the project needs additional time to complete.

Committee Recommendation: CEDC recommends approval of the 2016-17 Annual Action Plan by ordinance

CDBG Funding Requests and Allocations

CDBG Program Year 2016-17

Prior Year Funds
Available for
Reallocation
\$10,920.96

			HUD 2016-17 CDBG Grant For Lee's Summit	\$369,299.00	\$369,299.00	\$369,299.00
Type/Dept	Applicant	Project Description	<i>Capped Amount/Request</i>	CEDC Recomm.	CC Approval	
Planning & Administration (20% Cap)						
			\$73,859.80	\$73,859.80	\$73,859.80	
P&A1	City of Lee's Summit	CDBG Program Administration	\$30,000.00	\$30,049.96	\$30,049.96	
Subtotal			\$30,000.00	\$30,049.96	\$30,049.96	
Public Services (15% Cap)						
			\$55,394.85	\$55,394.85	\$55,394.85	
PS1	Coldwater of Lee's Summit	BackSnack Program - Provide for nutritional needs of hungry children	\$6,000.00	\$3,250.00	\$3,250.00	
PS2	Hope House, Inc	Children's Therapy Services	\$20,000.00	\$17,400.00	\$17,400.00	
PS3	Lee's Summit Social Services	Operating Expenses	\$26,800.00	\$26,400.00	\$26,400.00	
PS4	ReDiscover	Parenting with Love and Logic Program	\$1,103.00	\$800.00	\$800.00	
PS5	ReDiscover	Case Management - Assessment, therapy, education, and referral for at-risk youth	\$6,738.00	\$2,640.00	\$2,640.00	
PS6	Center for Conflict Resolution	Community Mediation	\$3,000.00	\$900.00	\$900.00	
PS7	Community Services League	Work Express Program	\$15,000.00	\$4,000.00	\$4,000.00	
Subtotal			\$78,641.00	\$55,390.00	\$55,390.00	
<i>Difference between 2016 PS capped amount and request</i>			(\$23,246.15)	\$4.85	\$4.85	
Other (No Cap)/Remaining Amount						
			\$294,825.11	\$294,780.00	\$294,780.00	
OTH1	Lee's Summit Housing Authority	Exterior Doors Replacement	\$139,000.00	\$116,000.00	\$116,000.00	
OTH2	City of Lee's Summit	Minor Home Repair - for LMI homeowners	\$150,000.00	\$150,000.00	\$150,000.00	
OTH3	City of Lee's Summit	First Time Homebuyers Program - closing cost/down payment support	\$9,000.00	\$9,000.00	\$9,000.00	
OTH4	City of Lee's Summit Parks & Rec.	North Lea McKeighan Park Renovations (Demolition)	\$122,250.00	\$0.00	\$0.00	
OTH5	ReDiscover	ADA Handicap Door	\$3,476.00	\$3,480.00	\$3,480.00	
OTH6	Hope House, Inc	Parking Lot Entrance Reconstruction	\$16,330.00	\$16,300.00	\$16,300.00	
Subtotal			\$440,056.00	\$294,780.00	\$294,780.00	
<i>Difference between 2016 OTH amount and request</i>			(\$145,230.89)	\$0.00	\$0.00	

Packet Information

File #: BILL NO. 16-107, **Version:** 1

AN ORDINANCE APPROVING THE CITY OF LEE'S SUMMIT ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016-2017 ANNUAL ACTION PLAN.

Issue/Request:

Approval of Ordinance adopting the 2016-17 CDBG Annual Action Plan

Key Issues:

To receive CDBG funding from HUD for the 2016-17 program year, the City is required to submit an Annual Action Plan that lays out the community's goals and objectives for the program and programs and projects to be funded to implement the 2015-19 Consolidated Plan. The City Council needs to adopt the proposed 2016-17 Action Plan by ordinance.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of AN ORDINANCE APPROVING THE CITY OF LEE'S SUMMIT ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016-2017 ANNUAL ACTION PLAN.

SECOND MOTION: I move for approval of AN ORDINANCE APPROVING THE CITY OF LEE'S SUMMIT ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016-2017 ANNUAL ACTION PLAN.

Background:

Lee's Summit is an Entitlement City under the Community Development Block Grant (CDBG) program through the U.S. Department of Housing and Urban Development (HUD). An annual grant is provided to the City to meet the Three National Objectives of the CDBG program: Benefiting low-to-moderate income persons, address slum or blight, and meeting urgent needs. For the 2016-17 program year, CDBG grant amount will be \$369,299 for the Lee's Summit program.

To receive this grant, HUD requires that the City submit an Annual Action Plan each year outlining programs and projects and grant allocation to implement the community goals and objectives established in the City's Consolidated Plan (a 5-year master plan of the program). The City conducts an open public process each year to solicit funding requests from local government and non-profit agencies and prioritize the requests and adopt a plan for implementation of programs and projects approved for funding.

The CEDC held a public hearing on April 18, 2016 as a part of this open public process. The CEDC approved a recommendation for the City Council to adopt by ordinance the 2016-17 Annual Action Plan with recommended funding levels for various proposed programs and projects sponsored by City departments and local non-profit agencies. A 30-day public review and comment period was provided starting late March through April 29. No public comments were received by the City.

Impact/Analysis:

HUD will provide \$369,299 CDBG grant funds to the City for the 2016-17 program year. In addition, the City has a total of \$10,920 CDBG funds remaining from prior years that needs to be reallocated to help fund the 2016-17 programs/projects. The CDBG Program provides annual funding from the federal government to support local housing and support service programs benefiting low-to-moderate income persons and families, which are normally heavily dependent upon grants, donations and other private resources. The program will also help cover part of the City's administrative cost of operating the CDBG Program.

Timeline:

Start: 7/1/2016

Finish: 12/31/2017

Other Information/Unique Characteristics:

Funds allocated shall be spent before 6/30/2017 for Public Service programs. Funds allocated for construction related projects/programs should follow the 18-month rule based on the date of the grant agreement, however, may be extended if the project needs more time to complete.

Recommendation: Staff recommends adoption of the ordinance.

Committee Recommendation: CEDC recommends approval of the 2016-17 Annual Action Plan

BILL NO. 16-107

AN ORDINANCE APPROVING THE CITY OF LEE'S SUMMIT ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016-2017 ANNUAL ACTION PLAN.

WHEREAS, in August of 1994, the City of Lee's Summit, Missouri was designated as an Entitlement Community eligible to receive Community Development Block Grant (CDBG) funding by the Department of Housing and Urban Development (HUD); and,

WHEREAS, the City adopted the 2015-2019 Consolidated Plan on or about May 21, 2015, as required by HUD; and,

WHEREAS, during the months of January and February 2016, the City received applications for funding from the CDBG program; and,

WHEREAS, on April 18, 2016, the City Council Community and Economic Development Committee held a public hearing to receive comments related to the needs of the community and to hear requests from applicants for funding, and to review the applications with requests for funding from the CDBG funds received by the City as an Entitlement Community and the recommendations made by Staff; and,

WHEREAS, the City has prepared a 2016-2017 Annual Action Plan based on the identified needs and recommended strategies established in the 2015-2019 Consolidated Plan, as required by HUD; and,

WHEREAS, the City desires to reallocate remaining unused funds from prior CDBG program years to be incorporated in the upcoming 2016-2017 program year; and,

WHEREAS, the City desires to adopt an Annual Action Plan for the 2016-2017 CDBG program year.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City of Lee's Summit 2010-11 Annual Action Plan be amended to reallocate funds in the total amount of \$578.00 from HUD #383 – Hope House Safety and Security Enhancement to be used under the City of Lee's Summit 2016-2017 CDBG Annual Action Plan.

SECTION 2. That the City of Lee's Summit 2012-13 Annual Action Plan be amended to reallocate funds in the total amount of \$1,655.46 (consisting of \$1,200.00 from HUD #461 – Hope House ADA Improvement; and \$455.46 from HUD #454 – Community Mediation) to be used under the City of Lee's Summit 2016-2017 Annual Action Plan.

SECTION 3. That the City of Lee's Summit 2013-14 Annual Action Plan be amended to reallocate funds in the total amount of \$136.00 from HUD #491 – ReDiscover Parenting Scholarship to be used under the City of Lee's Summit 2016-2017 CDBG Annual Action Plan.

BILL NO. 16-107

SECTION 4. That the City of Lee's Summit 2014-15 Annual Action Plan be amended to reallocate funds in the total amount of \$8,551.50 (consisting of \$8,023.50 from HUD #529 – Hope House Hot Water Pump; and \$528.00 from HUD #526 – ReDiscover Parenting Scholarship) to be used under the City of Lee's Summit 2016-2017 CDBG Annual Action Plan.

SECTION 5. That the 2016-2017 Annual Action Plan, a true and accurate copy being attached hereto as Exhibit "A" and incorporated herein by reference be and the same hereby is approved as the City of Lee's Summit's CDBG Entitlement Community 2016-2017 Annual Action Plan.

SECTION 6. That the Mayor and/or City Manager, as appropriate, is hereby authorized and directed to take such further action, and to execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 7. That all ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 8. That this Ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED by the City Council for the City of Lee's Summit, Missouri, this _____ day of _____ 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this _____ day of _____, 2016.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Denise R. Chisum

APPROVED AS TO FORM:

Chief Counsel of Management and Operations Jackie McCormick Heanue



LEE'S SUMMIT
MISSOURI

Community Development Block Grant
2016-2017

Action Plan

May 2016



Annual Action Plan
2016

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

This Action Plan covers the program year 2016-2017, the second year of the 2015-2019 Consolidated Plan period of the Community Development Block Grant Program. The 2015-2019 Consolidated Plan identified the following high priority needs:

- Mental Health/Substance Abuse Assistance
- Food Services for Persons of Special Needs
- Affordable Housing and Home Repairs
- Transitional Housing and Domestic Violence Shelters
- Rental Housing - Landlord Awareness/Education
- Sidewalk Improvement in Older Neighborhoods
- Public Transit/Transportation
- Public Facility Improvements for Non-profit Agencies
- Workforce Training Systems
- Commercial Property Improvement for Economic Development
- Expansion of Abuse Center Capacity
- Urgent Needs of LMI Persons and Families
- Assistance for First Time Homebuyers
- Daycare/Respite Care for Persons of Special Needs
- Foster Small Businesses and Startups
- Marketing Social Services
- Housing for the Developmentally Disabled
- Local Emergency Homeless Housing
- Sanitary and Storm Sewer Upgrade

The 2016-17 Action Plan reflects a local partnership between the City government and not-for-profit service and housing agencies to implement the goals and objectives as established in the Consolidated Plan by supporting services, programs and projects that will make a difference in serving the needy. The City followed the established public process that included public awareness campaign, solicitation of CDBG funding requests from local service and housing agencies, evaluation and prioritization of funding needs, a public hearing, a 30-day public review and comment period and the approval of the governing body.

Recommended funding allocation focuses on sustaining on-going programs that have proven to address the critical needs of the community as identified in the Consolidated Plan and to help achieve its goals and objectives. CDBG funds also help agencies to leverage other resources in support of their programs. Funded programs and projects on the non-public-service side focus on the upkeep of the community's affordable housing and home ownership. Public facility improvements funded address ADA compliance and facility maintenance.

The Action Plan draft and funding recommendations were distributed for public review and comment for no less than 30 days prior to the City Council adoption of the plan. A public hearing was held for public input. Public comments, if received, are included in this report.

Due to limited funding from this program, not all the priority needs, as identified in the Consolidated Plan, will be addressed by the programs and projects to be funded this program year. Local agencies are urged to explore alternative resources to support and expand their programs.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Through this plan and its commitment of financial support, the City strives to accomplish the following objectives:

- continue the level of support for agencies and programs that have received CDBG funding in prior years to maintain the level of service benefiting persons with special needs
- continue to focus on critical services for the homeless, persons and families without the most basic necessities of living
- continue to support services for victims of domestic violence and persons with mental health and substance abuse issues
- continue to assist individuals who should be earning a living on their own by becoming employed with professional assistance
- continue to provide financial assistance to LMI homeowners for the upkeep of their homes and to the local public housing agency to implement its CIP
- continue to help LMI families to become homeowners
- provide assistance for local public service agencies for urgent facility maintenance and ADA compliance needs

The outcomes of the above listed programs and projects will benefit a total of about 7,500 individuals and households, improve 65 affordable housing units and improve services.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The majority of the programs and projects included in this Action Plan have been funded and in operation for some years and recent consolidated plan public participation process showed a strong indication that these services continue to meet the high priority needs of the community. Most of these agencies delivering these services have proven to be solid in terms of their performance. Newer agencies to this program have been able to correct the issues identified through monitoring and strengthen their processes to ensure better performance. The City has established a system of monitoring and evaluation of subrecipient performances and the level of performance has been taken into account during the evaluation and prioritization of funding allocation.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The consultation process and outreach for this Action Plan consists of a public awareness campaign via news releases, a solicitation of requests for funding, a public hearing and a 30-day public review and comment period.

A news release was posted on the City's website on December 18, 2015. The news release specifically stated:

- Applications for the 2016-17 CDBG program year would be available on January 11, 2016;
- A pre-application orientation would be held the morning of January 12, 2016;
- Applications would be accepted from January 19 through February 12, 2016; A public hearing would be held on March 16, 2016

On February 26, 2016, a public notice was published in Lee's Summit Journal announcing the Community and Economic Development Committee public hearing scheduled for March 16, 2016 to hear funding request proposals from local agencies, staff evaluation and prioritization of the proposals, staff funding recommendations, public comments and committee discussions and recommendations for consideration by the full City Council.

The public hearing scheduled for March 16 was cancelled due to lack of quorum and rescheduled to April 18. The rescheduled public hearing was readvertized in Lee's Summit Journal.

The 30-day public review and comment period started on March 16 and ended on April 29. Hard copies were made available for public access at two local public libraries, Lee's Summit Social Services, and City Hall locations. The draft Action Plan was also made available on the City's website. No public comments were received by the City during the public comment period.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No public comments were received by the City during the public comment period.

6. Summary of comments or views not accepted and the reasons for not accepting them

No public comments were received.

7. Summary

Through a comprehensive public process, the 2016-17 Action Plan was developed to address the priority needs of the community as identified in the 2015-19 Consolidated Plan and the 2016-17 Community Development Block Grant funds are allocated to support public service programs and non-public service projects/programs that help the community meet the goals and objectives of the Consolidated Plan. During this process, the City realizes that limited CDBG funding, made available to the community through the U.S. Department of Housing and Urban Development, will not address all of the priority needs of the community. Local agencies are working harder than ever to pool other resources so that more needs are met and the community responses have been very supportive of their efforts.

The CDBG funding is making a difference for our community and we continue to use this valuable resource to the most needed programs.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator		Planning and Codes Administration

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

Heping Zhan, AICP

Planning and Codes Administration

City of Lee's Summit, Mo 64063

T: 816-969-1609

F: 816-969-1619

E: Heping.Zhan@cityofls.net

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of Lee's Summit Planning and Codes Administration coordinates the consultation process for the Community Development Block Grant Program 2015-2019 Consolidated Plan and the subsequent Annual Action Plans. The consultation process for the Consolidated Plan included information gathering from variety of resources from the state level to the local level using a wide range of methods, analyses of information and data, community awareness campaign, public participation via open meetings, open houses, focus group discussions, public hearings, and public review and comment.

The consultation process and outreach for this Action Plan consists of a public awareness campaign via news release, a solicitation of requests for funding, a public hearing and a 30-day public review and comment period.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City of Lee's Summit has actively worked to meet community needs and coordinate the efforts of those working to serve local residents and businesses. The City has worked closely in consultation, strategic planning as well as in financial support through its CDBG program to community housing, mental health, and service agencies. These range from Lee's Summit Housing Authority, Hillcrest Transitional Housing of Eastern Jackson County, Hope House to Lee's Summit Social Services, ReDiscover, Developing Potential, Inc., Coldwater of Lee's Summit, Community Services League and Center for Conflict Resolution.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Although Lee's Summit does not currently have an independent agency tasked with assessing the homeless population in and around the city, it has been working toward better coordination with the Homeless Services Coalition of Greater Kansas City (HSCGKC), the designated regional Continuum of Care (CoC) serving Jackson County, Kansas City, Missouri, Independence and Lee's Summit area. According to the HSCGKC Point in Time 2014 Survey, 1,931 individuals in the Kansas City metropolitan area were identified as homeless, which includes sheltered and unsheltered individuals and represents an aggregated total of the counted individuals within the CoC's area. This includes Jackson County,

Missouri, with the preponderance of services and counted individuals in Kansas City and Independence. This represents a reduction in the number of homeless individuals.

In evaluating the role of Lee's Summit in addressing homelessness, HSCGKC and their embrace of the Housing First approach were considered as a means of assessment. Effective attainment of this approach can be measured by the implementation of policy and provision of funding that ultimately leads to the creation of permanent and sustainable housing for all homeless individuals. Within Lee's Summit there are many services in the community that are supported by the City in their efforts to actively prevent and reduce homelessness. The following efforts through CDBG program help in the initial housing and home ownership of low to moderate income families and to make home repairs for low and moderate income families:

- The First-Time Homebuyers Program
- Minor Home Repair Program

Other contributors to the prevention of homelessness include:

- Hope House: An emergency shelter in Lee's Summit that serves victims of domestic violence, including children.
- ReDiscover Mental Health: Provides mental health services to individuals as well as families in different settings.
- Hillcrest Transitional Housing: Works to house homeless individuals, families, and youths in an environment that encourages working and the development of life skills.
- Lee's Summit Social Services: Provides emergency assistance to low-to-moderate income individuals and families.
- Lee's Summit Housing Authority: Local public housing agency.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Lee's Summit does not receive ESG funds.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	HOPE HOUSE, INC
	Agency/Group/Organization Type	Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding requests are funded and the supported program will benefit persons in need of service.
2	Agency/Group/Organization	LEE'S SUMMIT SOCIAL SERVICES
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless
	What section of the Plan was addressed by Consultation?	Food, clothing, school supplies, utility assistance, etc.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding request is funded and the supported program will benefit persons in need of service.
3	Agency/Group/Organization	REDISCOVER MENTAL HEALTH
	Agency/Group/Organization Type	Services-Health
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding requests are funded and the supported program will benefit persons in need of service.
5	Agency/Group/Organization	Coldwater of Lee's Summit
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding request is funded and the supported program will benefit persons in need of service.
6	Agency/Group/Organization	Developing Potential, Inc.
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process. No funding needs were expressed by the agency for the 2016-17 program year therefore no additional activities were funded.
7	Agency/Group/Organization	COMMUNITY SERVICES LEAGUE
	Agency/Group/Organization Type	Services-Employment
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding request is funded and the supported program will benefit persons in need of service.

8	Agency/Group/Organization	Center for Conflict Resolution
	Agency/Group/Organization Type	conflict mediation service
	What section of the Plan was addressed by Consultation?	Prevention of crime and conflict
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding request is funded and the supported program will benefit persons in need of service.
9	Agency/Group/Organization	LEE'S SUMMIT HOUSING AUTHORITY
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was notified of the funding application process, attended the pre-application training, submitted funding requests to meet high priority special needs, and attended the public hearing. The agency's funding request is funded and the supported program will benefit persons in need of service.

Identify any Agency Types not consulted and provide rationale for not consulting

N/A.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Homeless Services Coalition of Greater Kansas City	The Strategic Plan supports the overall goals of the plan of the CoC.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

A press release was posted on December 18, 2015. The press release specifically stated:

- Applications for the 2016-17 CDBG program year would be available online on January 11, 2016;
- A pre-application orientation would be held the morning of January 12, 2016;
- Applications would be accepted from January 19 through February 12, 2016; and
- A public hearing would be held by the City Council Community and Economic Development Committee on March 16, 2016.

A legal public notice was published in Lee's Summit Journal for the public hearing. The public hearing originally scheduled for March 16 was cancelled due to lack of quorum and rescheduled to April 18. A legal notice was republished announcing the rescheduled public hearing.

The public hearing provided an opportunity for public participation and the 30-day public comment period from March 16 through April 29 before the City Council approval of the final plan gave the public another opportunity to review the information and submit input.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Internet Outreach	Non-targeted/broad community	Public awareness/informational campaign only.	No comments received. Public information only.	No comments received. Public information only.	http://www.cityofls.net/City-of-Lees-Summit/articleType/ArticleView/articleId/3572/CDBG-Application-Process-Underway-for-Program-Year-2016-2017
2	Pre-Application Orientation	Potential Subrecipients	Twelve individuals, representing 10 different agencies, were in attendance for the mandatory pre-application orientation.	Informational, no comments received.	Informational, no comments received.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	All funding applicants presented their programs and funding requests during the public hearing. Staff presented application review and prioritization results and funding allocation recommendations.	No public comments were received during the hearing.	No public comments were received during the hearing.	
4	Public review and comment	Non-targeted/broad community	Draft Action Plan with Funding Allocation Recommendations were made available at various public places/locations.	No public comments were received during the public comment period.	No public comments were received during the public comment period.	http://cityofls.net/Development/Development-News/articleType/ArticleView/articleId/180/Community-Development-Block-Grant-Highlights

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

The Community Development Block Grant is the only known resource to be available to the City of Lee's Summit from various federal resources to address the identified community needs. Local agencies will have opportunities to apply for the ESG grant through the State of Missouri. Public housing needs may also be met with other HUD grants to be awarded to the Lee's Summit Housing Authority. Local agencies will continue to make efforts and explore new funding sources for their programs to meet client needs.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	369,299	0	10,921	380,220	0	CDBG allocation expected for program year 2016-17. Surplus funds unexpended from prior years will also be available for redistribution.
General Fund	public - local	Admin and Planning	0	0	0	0	0	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Public Housing Capital Fund	public - federal	Housing	0	0	0	0	0	
Other	private	Housing	0	0	0	0	0	
Other	private	Public Services	0	0	0	0	0	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The CDBG funding will leverage other resources for most of our programs. For CDBG, the City will continue to cover a of the administrative cost with its general fund. Lee's Summit Housing Authority project leverages other federal funds for capital expenses. Other subrecipients combine CDBG allocations with a variety of of other funding sources, including in-kind donations, local grants, local churches, local charities, private foundations, private fundraising, State funding resources, etc.. The City will not require funding match for any of the CDBG funded programs and projects.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Home Repairs	2015	2019	Affordable Housing	Communitywide	Affordable Housing and Home Repairs	CDBG: \$150,000	Homeowner Housing Rehabilitated: 15 Household Housing Unit
2	Emergency Needs of LMI Persons/Families	2015	2019	Non-Homeless Special Needs	Old Town Area Communitywide	Urgent Needs of LMI Persons and Families	CDBG: \$27,300	Public service activities other than Low/Moderate Income Housing Benefit: 3420 Persons Assisted
3	Services for Mental Health and Substance Abuse	2015	2019	Non-Homeless Special Needs	Old Town Area Communitywide	Mental Health/Substance Abuse Assistance	CDBG: \$3,440	Public service activities other than Low/Moderate Income Housing Benefit: 610 Persons Assisted
4	Services for Victims of Domestic Violence	2015	2019	Homeless Non-Homeless Special Needs	Communitywide	Mental Health/Substance Abuse Assistance	CDBG: \$17,400	Public service activities other than Low/Moderate Income Housing Benefit: 47 Persons Assisted
5	Homebuyer Mortgage Assistance	2015	2019	Affordable Housing	Communitywide	Assistance for First Time Homebuyers	CDBG: \$9,000	Public service activities for Low/Moderate Income Housing Benefit: 3 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Public Housing	2015	2019	Affordable Housing Public Housing	Old Town Area	Affordable Housing and Home Repairs	CDBG: \$116,000	Rental units rehabilitated: 50 Household Housing Unit
7	CDBG Program Planning/Administration	2015	2019	Planning and Administration		CDBG Administration and Planning	CDBG: \$30,050	Other: 1 Other
8	Employment Assistance	2015	2019	Employment Assistance	Communitywide	Employment Assistance to LMI	CDBG: \$4,000	Public service activities other than Low/Moderate Income Housing Benefit: 80 Persons Assisted
9	Emergency Repairs of Public Facilities	2015	2019	Public Facility	Communitywide	Public Facility Improvements - Non-profit Agencies	CDBG: \$19,780	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3835 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Home Repairs
	Goal Description	Continue to fund the minor home repair program to provide financial assistance to LMI homeowners who need critical repairs to their homes. This also implements the community's strategy for the upkeep of the affordable housing stock.
2	Goal Name	Emergency Needs of LMI Persons/Families
	Goal Description	Lee's Summit Social Services provides food, clothing, supplies, rental assistance, medical assistance to LMI persons with emergency needs. The Agency needs financial support for its operation by filling the budget gap in its operating cost. Center for Conflict Resolution supports individuals and families of LMI in resolving conflicts.

3	Goal Name	Services for Mental Health and Substance Abuse
	Goal Description	Agencies providing services for persons with mental health issues and substance abuse problems expressed a need for financial support to its programs to meet an unmet community need.
4	Goal Name	Services for Victims of Domestic Violence
	Goal Description	Hope House provides emergency shelter and services for moms and children running away from domestic violence. The agency expressed a continuing need financially to support its Children's Therapy services.
5	Goal Name	Homebuyer Mortgage Assistance
	Goal Description	Providing up to \$3,000 for mortgage assistance to cover closing cost and up to 50% down payment for qualified first time homebuyers.
6	Goal Name	Public Housing
	Goal Description	Provide assistance to Lee's Summit Housing Authority for its exterior door replacement project at its Lee Haven public housing complex.
7	Goal Name	CDBG Program Planning/Administration
	Goal Description	Various activities and associated expenses for the general administration of the CDBG program, including planning activities as allowed by HUD regulations.
8	Goal Name	Employment Assistance
	Goal Description	Provide assistance to support the Work Express program at Community Services League to help LMI individuals and families find jobs, keep jobs and become economically stable.
9	Goal Name	Emergency Repairs of Public Facilities
	Goal Description	Hope House expressed a need to reconstruct the paved entrance to its front parking lot due to years of deterioration. ReDiscover recently moved to a new building that needs to meet the ADA requirement by installing an ADA door into this building.

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

AP-35 Projects – 91.220(d)

Introduction

This program year, Lee's Summit continues to support existing on-going programs by providing same level of CDBG funding to public service agencies as in previous years. Due to the 15% cap for public service activities, the allocated funding for these programs is lower than the level of support the public service agencies requested. On the non-public-service side, the City maintains the level of funding for its key minor home repair program and first time homebuyer program. The City continues to work with Lee's Summit Housing Authority to upgrade doors of its residential units for sustainability and energy efficiency. Other supported projects include ADA accessibility improvement at ReDiscover, a local mental health service and facility improvement at Hope House.

#	Project Name
1	Lee's Summit Social Services Operating Expenses
2	First Time Homebuyer Program
3	Case Management for At-Risk Elementary Children
4	Parenting with Love and Logic
5	BackSnack Program
6	Children's Therapy Services
7	Exterior Doors Replacement
8	Minor Home Repair Program
9	ADA Handicap Door
10	Reconstruction of Entrance
11	CDBG Planning & Administration
12	Community Mediation
13	Work Express Program

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

On the public service side, this year's allocation of CDBG funds continue to reflect the City's commitment to the community's critical public services to help the homeless and LMI persons and families, from providing daily necessities to seeking financial independence through assistance in finding an employment. On the non-public-service side, the City's Minor Home Repair and First Time Homebuyer programs continue to be the focus of the CDBG program. Maintenance and upgrade of the public housing units is also a priority of the community to ensure its sustainability and energy efficiency. ReDiscover, a local mental health service, requests funding for ADA accessibility improvement, which is critical to ensure its facility meets federal ADA standards.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	Lee's Summit Social Services Operating Expenses
	Target Area	Communitywide
	Goals Supported	Emergency Needs of LMI Persons/Families
	Needs Addressed	Urgent Needs of LMI Persons and Families
	Funding	CDBG: \$26,400
	Description	Provide CDBG funding to assist with the agency's operating cost, including utilities, communication services and vehicle usage and maintenance.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	3,400 LMI persons are expected to benefit.
	Location Description	The agency serves LMI persons and families from Lee's Summit and eastern Jackson County areas.
	Planned Activities	Providing emergency assistance to persons and families who need food, clothing, utility assistance, medical assistance, school supplies, etc.
2	Project Name	First Time Homebuyer Program
	Target Area	Communitywide

	Goals Supported	Homebuyer Mortgage Assistance
	Needs Addressed	Assistance for First Time Homebuyers
	Funding	CDBG: \$9,000
	Description	Provides up to \$3,000 for qualified first time homebuyers to cover the required closing cost and up to 50% of the down payment for securing a mortgage loan for the purchase of a home in Lee's Summit.
	Target Date	12/31/2017
	Estimate the number and type of families that will benefit from the proposed activities	3 qualified first time homebuyers (families and households).
	Location Description	Specific location unknown but homes to be purchased will be within Lee's Summit city limits.
	Planned Activities	First Time Homebuyer Program where funds will be provided to pay for needed lead-based paint inspection fees, closing cost and down payments.
3	Project Name	Case Management for At-Risk Elementary Children
	Target Area	Old Town Area
	Goals Supported	Services for Mental Health and Substance Abuse
	Needs Addressed	Mental Health/Substance Abuse Assistance
	Funding	CDBG: \$2,640
	Description	A school-based program to provide needed counseling for elementary students identified to be at-risk.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	80 elementary school children at-risk of behavioral health issues.

	Location Description	In Lee's Summit Elementary School in LMI area.
	Planned Activities	Case management at elementary school.
4	Project Name	Parenting with Love and Logic
	Target Area	Communitywide
	Goals Supported	Services for Mental Health and Substance Abuse
	Needs Addressed	Mental Health/Substance Abuse Assistance
	Funding	CDBG: \$800
	Description	Provide scholarship for parents taking classes on becoming empowered in their interactions with their children at risk.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	19 parents and children.
	Location Description	Various locations in Lee's Summit.
	Planned Activities	Classes by certified instructors.
	5	Project Name
Target Area		Communitywide
Goals Supported		Emergency Needs of LMI Persons/Families
Needs Addressed		Food Services for Persons of Special Needs
Funding		CDBG: \$3,250
Description		Provide free bagged lunches through the BackSnack program of Harvesters for chronically hungry school children.

	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	13 school children from LMI families.
	Location Description	Lee's Summit School District.
	Planned Activities	Provide backpacks of free lunches to school children for weekends.
6	Project Name	Children's Therapy Services
	Target Area	Communitywide
	Goals Supported	Services for Victims of Domestic Violence
	Needs Addressed	Transitional Housing & Domestic Violence Shelters
	Funding	CDBG: \$17,400
	Description	Provide services focusing on issues relevant to children who have been exposed to violence, such as self-esteem, safety planning, conflict resolution skills and healthy ways of managing emotions.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	47 children exposed to violence.
	Location Description	At Hope House facility in Lee's Summit.
	Planned Activities	Sessions providing therapy for children exposed to violence.
7	Project Name	Exterior Doors Replacement
	Target Area	Old Town Area
	Goals Supported	Public Housing
	Needs Addressed	Affordable Housing and Home Repairs

	Funding	CDBG: \$116,000
	Description	Replacing existing primary exterior doors at Lee's Summit Housing Authority's Lee Haven Apartments with energy efficient and maintenance free fiberglass doors, now locking hardware and new lever operated door handles.
	Target Date	12/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	50 residential units at Lee Haven Apartments will benefit.
	Location Description	Lee Haven Apartments on Grand Avenue in Lee's Summit old town area.
	Planned Activities	Replacing existing primary exterior doors with energy efficient and maintenance free fiberglass doors, now locking hardware and new lever operated door handles.
8	Project Name	Minor Home Repair Program
	Target Area	Communitywide
	Goals Supported	Home Repairs
	Needs Addressed	Affordable Housing and Home Repairs CDBG Administration and Planning
	Funding	CDBG: \$150,000
	Description	Provide minor exterior repairs and minor private sanitary sewer repairs to eligible homeowners.
	Target Date	12/31/2017
	Estimate the number and type of families that will benefit from the proposed activities	15 homes of LMI households.
	Location Description	In Lee's Summit corporate limits.

	Planned Activities	Provide grants up to \$10,000 for minor exterior home repairs and up to \$3,000 for minor private sanitary sewer repairs for LMI households in Lee's Summit.
9	Project Name	ADA Handicap Door
	Target Area	Communitywide
	Goals Supported	Emergency Repairs of Public Facilities
	Needs Addressed	Public Facility Improvements - Non-profit Agencies
	Funding	CDBG: \$3,480
	Description	Replacing the existing entry door at ReDiscover's new office with an ADA accessible door.
	Target Date	12/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	3,342 clients per year.
	Location Description	ReDiscover's new office at 1555 NE Rice Road in Lee's Summit.
	Planned Activities	Replacing the existing door with an ADA accessible door.
10	Project Name	Reconstruction of Entrance
	Target Area	Communitywide
	Goals Supported	Emergency Repairs of Public Facilities
	Needs Addressed	Public Facility Improvements - Non-profit Agencies
	Funding	CDBG: \$16,300
	Description	Demolition of existing deteriorating pavement at the entrance of Hope House facility in Lee's Summit and install new pavement.
	Target Date	12/31/2016

	Estimate the number and type of families that will benefit from the proposed activities	493 clients will benefit.
	Location Description	Hope House facility in Lee's Summit.
	Planned Activities	Demolition of existing deteriorating pavement at the entrance of Hope House facility in Lee's Summit and install new pavement.
11	Project Name	CDBG Planning & Administration
	Target Area	
	Goals Supported	CDBG Program Planning/Administration
	Needs Addressed	CDBG Administration and Planning
	Funding	CDBG: \$30,050
	Description	Various activities and associated expenses for the general administration of the CDBG program, including planning related activities as allowed by HUD regulations.
	Target Date	6/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	Various expenses associated with general administration of the CDBG program.
12	Project Name	Community Mediation
	Target Area	Communitywide
	Goals Supported	Emergency Needs of LMI Persons/Families
	Needs Addressed	Urgent Needs of LMI Persons and Families

	Funding	CDBG: \$900
	Description	Financial assistance to individuals of Lee's Summit residence for mediation services provided by Center for Conflict Resolution for conflict resolution.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	20 LMI Lee's Summit residents.
	Location Description	At the Center for Conflict Resolution office located at 1101 NE Independence Ave, in Lee's Summit.
	Planned Activities	Professional facilitators and trained community volunteers help parties solve conflict in just and peaceful ways.
13	Project Name	Work Express Program
	Target Area	Communitywide
	Goals Supported	Employment Assistance
	Needs Addressed	Employment Assistance to LMI
	Funding	CDBG: \$4,000
	Description	Assist individuals and families by helping them find employment, keep jobs and become economically stable.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	100 LMI Lee's Summit unemployed residents.
	Location Description	At Community Services League's Lee's Summit office at 214 NE Chipman Rd.

	Planned Activities	Career Coach salary expenses providing services to LMI individuals and families to find jobs, keep jobs and become economically stable.
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AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The programs to be funded target LMI persons and families and persons with special needs regardless of their location in Lee's Summit. The majority of the agencies to receive CDBG funding are located within or immediately adjacent to the old town area of the community.

Geographic Distribution

Target Area	Percentage of Funds
Old Town Area	
Communitywide	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Generally, there is no priority given based on geographic location. The programs/projects are funded to serve the needs of targeted clients regardless of geographic locations, so long as the clients are Lee's Summit residents. Some services go beyond the city limits.

Discussion

The City identified three different Geographic Distribution Target Areas for the purpose of the Consolidated Plan: Downtown, Old Town Area and Communitywide. However, the programs and services to be supported through the CDBG program target the populations that the CDBG program is designed for, without an obvious emphasis on the geographic locations of the clients. As shown above, the City intends to allocate funding for programs and services that do not specifically have a geographic focus. However, most of these programs and services benefit the population located in Downtown and Old Town Area.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

For the 2016-17 Action Plan, the City anticipates supporting the LSHA, First-Time Homebuyer and Minor Home Repair Programs at levels specified in the projects section of the plan. This means that the City expects to benefit approximately 47 households through the LSHA exterior door replacement program, 3 households through the First-Time Homebuyer Program, and 15 households through the Minor Home Repair Program.

The City's First-Time Homebuyer Program is an on-going activity that provides funding towards closing costs and/or down payment support. The Minor Home Repair Program has been an on-going activity of the City as well, providing support to LMI homeowners for needed exterior repairs and and emergency repairs to private sewer system.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	68
Special-Needs	0
Total	68

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	65
Acquisition of Existing Units	3
Total	68

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

Both First Time Homebuyer and Minor Home Repair programs are multi-year programs and it is anticipated that during the program year of 2016-17, additional homeowners and homebuyers will be assisted utilizing prior year funds as they come in the process. The anticipated goals referenced above do not reflect these beneficiaries.

AP-60 Public Housing – 91.220(h)

Introduction

The vision of the Lee's Summit Housing is to "Create new communities where children, families, seniors, individuals with disabilities and veterans can increase their opportunity for a better life". The mission of the Lee's Summit Housing Authority is to fulfill the need for decent, safe and affordable housing for low to moderate income seniors and families residing in Lee's Summit; to provide quality living environments; to create partnerships for affordable housing opportunities; to promote a people-oriented organization that encourages and supports the families we serve.

Strategic Goals:

- Develop a reputation of effective leadership as an advocate for affordable housing.
- Collaborate with community organizations to expand the supply of affordable housing opportunities.
- Continue to improve operations necessary to remain a high-performing and financially strong organization.
- Protect and improve existing housing stock in the community.
- Foster the growth of our employees to promote an organization recognized for our integrity, accountability and customer service.

Actions planned during the next year to address the needs to public housing

The Lee's Summit Housing Authority (LSHA) has adopted the following action strategies to address the needs of Public Housing:

9.1 Strategy for Addressing Housing Needs

- Apply for additional rental vouchers (as they may become available through HUD) and actively administrate the Section 8 Housing Choice Voucher Program.
- Reduce public housing vacancies (vacancy rate of less than >2%) to ensure all units are being utilized
- Explore leveraging public and private funds to create additional housing opportunities
- Collaborate with the City of Lee's Summit, Jackson County, other for-profit and non-profit organizations in the development of affordable housing
- Participate in Housing Affordability Market Studies
- Collaborate with the Lee's Summit Economic Development Council
- Acquire or build units or developments (and explore management of other housing programs)
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required

- Develop strategies and carry out necessary physical improvements to improve energy efficiencies in public housing units.
- Affirmatively market to races/ethnicities shown to have disproportionate housing needs (Consolidated Plan)
- Explore designation of public housing units for the elderly
- Explore admissions preferences aimed at working families
- Conduct physical needs assessments, energy audits and other applicable reviews as necessary for proper planning
- Renovate and modernize existing public housing units; maintaining safe, decent and affordable housing
- Employ effective management and maintenance policies

Reasons for Selecting Strategies

- Housing needs identified in the CDBG Consolidated Plan for the City of Lee's Summit 2015 – 2019
- Local housing markets / resources / current affordable housing stock
- CHAS Data
- Census Data
- Collaboration with the City of Lee's Summit
- Housing Needs Identified in 2014 Lee's Summit Housing Affordability Analysis
- Consultation with residents and advisory board

Needs Identified:

Physical Needs: LSHA has identified needed physical improvements and modernization activities that will improve the quality of life for residents through improved living environments, increased energy efficiency and ensuring long-term viability of the existing public housing stock. These activities are detailed in the 5-Year Plan covering the period of 2015-2019 as follows:

- Replace HVAC with Energy Efficient 50-units;
- Renovate Bathrooms 18-units;
- Repair structural Issues 4-buildings;
- Replace Appliances Utilizing Energy Star 91-units;
- Replace Exterior Primary Doors with energy efficient 50-units;
- Interior Rehab (occupied units) 50-units;
- Exterior Rehab 33-buildings;
- Replace Water Lines (Lee Haven) 50-units;
- Site Improvements PHA-wide;

Operational Needs: LSHA has identified needed operational improvements necessary to maintain a high

performing agency. These include costs associated with housing operations and computer/software/IT services.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Lee's Summit Housing Authority has a Resident Housing Commissioner appointed to serve on the Board of Housing Commissioners. Lee's Summit Mayor, Randy Rhodes appointed Ms. Kathern Kelsey to serve as a Commissioner of the Housing Authority. Ms. Kelsey, a Resident of Duncan Estates, was appointed on June 18, 2015, for a term ending May 4, 2017. Ms. Kelsey is a welcomed addition to the Housing Authority Board of Commissioners and she will bring a unique perspective and insight to the Board. The Lee's Summit Housing Authority keeps open communications with the residents through a monthly news-letter and twice monthly pot-luck dinners. Residents are also engaged by LSHA management and Board Members. The Lee's Summit Housing Authority maintains an "open door" policy for residents to voice their concerns.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Lee's Summit Housing Authority is designated a High Performing Agency by HUD through its Public Housing Management Assessment and Section Eight Management Assessment Programs. LSHA is not designated as "Troubled".

Discussion

<p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;"></p><p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;">Many of the strategies and goals for long-term viability and objectives for addressing the needs of the Lee's Summit Housing Authority and the greater Community are taken directly from the information, strategies and objectives identified in the City of Lee's Summit Consolidated Plan and as may also be identified in additional "Studies" such as the Old Lee's Summit Development Master Plan and Housing Affordability Analysis 2014 and previous and subsequent studies (Census, CHAS, etc.)</p><p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;"></p><p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;"> </p><p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;"></p><p style="margin: 0in 0in 0pt; line-height: 85%; page-break-after: avoid;">Many of the physical and operational improvements identified in LSHAs 5-Year Plan are

contingent upon current and future funding through the CDBG Program, HUD Funding (CFP & OPFND) and, PILOT waiver by the City.

Many of the strategies to address the need for developing affordable housing opportunities and solutions for the growing Senior population, Veterans and low to moderate income families is dependent upon cooperation by the City of Lee's Summit, the Business Community, Private and Public Investment and the greater Community support.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

For the 2016-17 Action Plan, the City anticipates supporting the homeless and special needs populations by the continued support to local public services and domestic violence shelters such as Hope House, ReDiscover, Lee's Summit Social Services, and other local agencies that offer food and nutrition to persons with special needs.

The Coldwater of Lee's Summit has requested funds to continue the support of the "BackSnack Program." This program provides nutritional needs of hungry children. Hope House is continuing its "Children's Therapy Services Program". Lee's Summit Social Services requests for continued financial support for their agency by covering a portion of their general operating expenses. ReDiscover has requested funds for its "Parenting with Love and Logic" Program and "Case Management for At-risk School Children". Community Services League offers a "Work Express" program where unemployed individuals seeking employment receive needed support to help them land a job. CDBG funds will be provided to help the agency with this program. Center for Conflict Resolution provides consultation services for its clients tangled in disputes and conflicts to move to resolution. CDBG funds will help the agency to offer such service to individuals who do not have the financial means to receive such service.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Will coordinate and work with CoC for its outreach and assessment efforts.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City's strategy for addressing the emergency and transitional housing needs of people who are homeless or at risk of homelessness includes sustained funding that maintains existing shelters and services, through the allocation of Community Development Block Grant resources to local entities that leverage further resources for that purpose. Coordination among different agencies and service providers to assist the homeless and prevent homelessness will be led by the Homeless Services Coalition of Greater Kansas City (HSCGKC). The Jackson County Continuum of Care (CoC), will engage and coordinate resources to improve current programs and funding strategies.

- Emergency Shelters & Services—Currently, Lee's Summit does not provide permanent shelters for chronic homeless. Shelters and services in the network of the CoC provide coverage for the region including Lee's Summit. However, emergency shelters are available for domestic violence victims and their children and transitional housing is available for short-term homeless.

- Hope House is a domestic violence shelter providing outreach counseling and emergency shelter for victims of domestic violence (women and their children). It also provides group and individual therapy to victims in Lee's Summit. The City will continue to support its service needs with CDBG funds in 2016-17. ReDiscover Mental Health, Inc. provides temporary shelter for homeless persons in two apartments within Lee's Summit. This program operates two respite apartment services for mentally ill adults who have a housing crisis and need temporary shelter. The City will continue to support the agency's service needs in the 2016-17 program year with CDBG allocations.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City's strategy for helping people who are homeless, particularly the chronically homeless, transition to stable housing and independent living focuses on better coordination with the Jackson County CoC while maintaining the level of appropriate supportive services and the number of units of permanent supportive housing provided by local agencies. Needs associated with this stage of the process are largely addressed by non-profit organizations like Hillcrest Transitional Housing and local churches. Local churches often provide similar services without any assistance from the CDBG Program, but nonetheless play an important role in helping homeless individuals and families make the transition to permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Prevention initiatives play a central role in short term and long term strategies to help low-income individuals and families avoid becoming homeless. Local agencies providing housing assistance and emergency shelters have already built into their programs homeless prevention counseling for the people and families they serve. In the 2016-17 program year, the City will direct CDBG funds to several of these programs to alleviate budget shortage. In the meantime, CDBG support will also benefit local agencies and programs that provide services targeting LMI persons and persons with special needs for housing, health, and other social services.

Discussion

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

The City of Lee's Summit's adopted public policies and standards pertaining to development as well as housing development and residential investment in the community are designed and updated to promote and protect community values, to ensure quality, to improve sustainability, to protect property values and investments, and to provide equal opportunities for all. The City does not and will not endorse and put in place any public policies that will prevent investment and development of affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

During the 2016-17 Program Year, the City of Lee's Summit plans to continue the support of the largely successful activities that are known as the City's First-Time Homebuyer and Minor Home Repair Programs. The City will also continue to evaluate and update the zoning ordinance, Unified Development Ordinance (UDO), and Comprehensive Plan as needed.

Discussion

AP-85 Other Actions – 91.220(k)

Introduction

Coordination of services is extremely important to ensure services are provided efficiently and effectively, especially when resources are scarce.

Actions planned to address obstacles to meeting underserved needs

The major obstacle to meeting underserved needs is limited funding. The City will continue to encourage public service agencies to actively explore and pursue new funding opportunities. The City will also continue to explore and participate in regional solutions to some of the underserved needs.

Actions planned to foster and maintain affordable housing

Funded programs and projects through the CDBG program for housing related repairs and rehabilitation meet the goal of sustaining the community's affordable housing stock and improving the conditions. In addition, the City will continue to foster and maintain affordable housing through implementation of the Comprehensive Plan that promotes housing varieties and sustainable development.

Actions planned to reduce lead-based paint hazards

- Continue to educate the public regarding the danger of lead-based paint hazards.
- Continue to enforce the requirement for residential rehabilitation contractors to be properly licensed when taking on residential rehabilitation projects.
- Continue to perform lead-based paint hazard inspections when appropriate for CDBG funding Minor Home Repair and First-Time Homebuyer programs.

Actions planned to reduce the number of poverty-level families

The City will focus on economic development by:

- Increase business activities.
- Expand employment opportunities.
- Foster small business and startups.
- Invest in needed public infrastructure improvement for economic development.
- Encourage and incentivize business expansion and new business activities.
- Continued to support private agencies for services to help poverty-level population to get on their feet.

Actions planned to develop institutional structure

The City will continue to improve the institutional structure to better serve the needs of the community. Inter-agency coordination will continue to be the focus in order to improve efficiency and avoid duplication of efforts.

Actions planned to enhance coordination between public and private housing and social service agencies

- Continue to provide proper orientation and training for agencies receiving CDBG funding.
- Continue to encourage agencies, private or public, to communicate and coordinate.
- Continue to monitor CDBG subrecipients on performance and provide technical support as needed.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

The City's CDBG funded programs and projects are not intended to generate any program income up to today. Funds returned to the line of credit have been normally a result of programs and projects completed or cancelled with a balance of unused funds.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

Discussion

CDBG Funding Requests and Allocations

CDBG Program Year 2016-17

Prior Year Funds Available for Reallocation
\$10,920.96

			HUD 2016-17 CDBG Grant For Lee's Summit	\$369,299.00	\$369,299.00	\$369,299.00
Type/Dept	Applicant	Project Description	<i>Capped Amount/Request</i>	CEDC Recomm.	CC Approval	
Planning & Administration (20% Cap)						
			\$73,859.80	\$73,859.80	\$73,859.80	
P&A1	City of Lee's Summit	CDBG Program Administration	\$30,000.00	\$30,049.96	\$30,049.96	
Subtotal			\$30,000.00	\$30,049.96	\$30,049.96	
Public Services (15% Cap)						
			\$55,394.85	\$55,394.85	\$55,394.85	
PS1	Coldwater of Lee's Summit	BackSnack Program - Provide for nutritional needs of hungry children	\$6,000.00	\$3,250.00	\$3,250.00	
PS2	Hope House, Inc	Children's Therapy Services	\$20,000.00	\$17,400.00	\$17,400.00	
PS3	Lee's Summit Social Services	Operating Expenses	\$26,800.00	\$26,400.00	\$26,400.00	
PS4	ReDiscover	Parenting with Love and Logic Program	\$1,103.00	\$800.00	\$800.00	
PS5	ReDiscover	Case Management - Assessment, therapy, education, and referral for at-risk youth	\$6,738.00	\$2,640.00	\$2,640.00	
PS6	Center for Conflict Resolution	Community Mediation	\$3,000.00	\$900.00	\$900.00	
PS7	Community Services League	Work Express Program	\$15,000.00	\$4,000.00	\$4,000.00	
Subtotal			\$78,641.00	\$55,390.00	\$55,390.00	
<i>Difference between 2016 PS capped amount and request</i>			(\$23,246.15)	\$4.85	\$4.85	
Other (No Cap)/Remaining Amount						
			\$294,825.11	\$294,780.00	\$294,780.00	
OTH1	Lee's Summit Housing Authority	Exterior Doors Replacement	\$139,000.00	\$116,000.00	\$116,000.00	
OTH2	City of Lee's Summit	Minor Home Repair - for LMI homeowners	\$150,000.00	\$150,000.00	\$150,000.00	
OTH3	City of Lee's Summit	First Time Homebuyers Program - closing cost/down payment support	\$9,000.00	\$9,000.00	\$9,000.00	
OTH4	City of Lee's Summit Parks & Rec.	North Lea McKeighan Park Renovations (Demolition)	\$122,250.00	\$0.00	\$0.00	
OTH5	ReDiscover	ADA Handicap Door	\$3,476.00	\$3,480.00	\$3,480.00	
OTH6	Hope House, Inc	Parking Lot Entrance Reconstruction	\$16,330.00	\$16,300.00	\$16,300.00	
Subtotal			\$440,056.00	\$294,780.00	\$294,780.00	
<i>Difference between 2016 OTH amount and request</i>			(\$145,230.89)	\$0.00	\$0.00	

Packet Information

File #: 2016-0196, Version: 2

Presentation & Discussion - Land Clearance for Redevelopment Authority (LCRA) application & request, Minsky's Pizza, 1251 NE Rice Road

Issue/Request:

Mr. Parker, Owner and Operator of Minsky's Pizza is requesting the City Council consider allowing building permit(s) to be issued prior to his LCRA application being fully considered and approved.

Key Issues:

Mr. Steve Parker, Owner and Operator of Minsky's Pizza submitted a LCRA redevelopment project application for consideration and processing on May 2, 2016. Mr. Parker is requesting a 100% abatement for 5 years for the redevelopment of the former Tanners" building located at 1251 NE Rice Road. Although this request does not require a conceptual presentation to the Mayor and Council per the Economic Development Incentive Policy (level of abatement requested is at or below the incentive guideline that requires a conceptual presentation), Mr. Parker is ready to obtain demolition and building permits at this time. Mr. Parker is requesting Council consideration to allow permits to be obtained prior to the LCRA redevelopment project being formally and fully considered by the LCRA and City Council.

Proposed City Council Motion:

Should the Council find it acceptable to allow building permit(s) prior to full consideration of the LCRA application: Council may direct staff to issue the building permits while the LCRA application is processed.

Background:

Assistant City Manager Mark Dunning has been in discussion with Mr. Steve Parker (owner/operator) of Minsky's Pizza since early February 2016 regarding the potential relocation of the restaurant from the current location in the Valle Vista Shopping Center to the former Tanners building located at 1251 NE Rice Road. Mr. Parker inquired about the use of LCRA as he was performing due diligence and considering purchase of the property. Mr. Dunning shared with Mr. Parker the property was located within an existing LCRA Urban Renewal Area and briefly explained to him how the redevelopment tool is utilized.

Subsequent to the February discussion, on March 17, 2016 Conrad Lamb and Mark Dunning met with Mr. Parker to review information regarding the potential purchase of the property, proposed investment and in more detail explained the overall LCRA process with him. Unbeknown to staff at the time, Mr. Parker was under the impression he should not submit a LCRA application until such time that he closed on the property and became the property owner. Subsequent to that meeting, Mr. Parker moved very quickly through the design process in hiring a design professional, submittal of building permit plans and closed on the property. Mr. Parker was unclear that submission of the LCRA application should ideally accompany the redevelopment plans or be submitted prior to submission of the redevelopment plans so that the economic incentive and development review processes run concurrently. At this time, the redevelopment plans/building permit for the project have now been approved and are pending issuance to begin the renovation work.

After having learned of the status of the permit application, on May 2, 2016 staff communicated to Mr. Parker that if he

intended on pursuing LCRA - issuance of the permit could jeopardize the consideration of an LCRA application/request as the City's Economic Development Policy contains a provision which states "The City Council will not consider or grant incentives for projects that have received any type of building permit excluding the land disturbance permit." On May 2, 2015, Mr. Dunning further explained the Economic Development Policy provisions with Mr. Parker and he shared his misunderstanding of how the processes (development and incentives) work together. Mr. Dunning immediately sent Mr. Parker an LCRA application and he quickly substantially completed the LCRA application and faxed it back to staff on May 2, 2016. In discussion with Mr. Parker - he explained his full intent on making application to the LCRA for consideration for the redevelopment project.

On May 4, 2016, Conrad Lamb and Mark Dunning met with Mr. Parker to calculate the very preliminary estimate of the property tax abatement that could be realized if a 100% abatement over a 5 year period was approved (see attached).

At this time Mr. Parker's building contractor is ready to begin work on the redevelopment, however Mr. Parker does not want to jeopardize the potential abatement that may be realized by obtaining any building permits.



Proposed Minsky's Pizza – 1251 NE Rice Road

Property Tax Market AV 0.9349 0.1654 0.4697 6.1192 2.7361 10.4253 2.7361

	Market	AV	32.00%	Total City Sales	Transportation	Capital Projects	General	Parks	Debt	School	Others	Total Property
Building	\$ 325,000	\$ 104,000					972	172	488	6,364	2,846	10,842
Equipment	40,000	12,800					120	21	60	783	350	1,334
Total	365,000						1,092	193	549	7,147	3,196	12,177

Sales Tax

Retail Sales												
General	1.00%											
Transportation	0.50%											
Capital Project	0.50%											
Parks	0.25%											
DT CID Sales	1.00%											

As is - Without Abatement

							1,092	193	549	7,147	3,196	12,177
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Post Development Increment

Property Tax 50.00% Abatement

	Market	AV	32.00%	City	Transportation	Capital Projects	General	Parks	Debt	School	Others	Total
Building	\$ 407,500	\$ 130,400		1,507			1,219	216	612	7,979	3,568	13,595
Equipment	117,500	7,520		207			70	12	35	460	206	784
Total	525,000	137,920		1,714			1,289	228	648	8,440	3,774	14,379

Sales Tax

Retail Sales												
General	1.00%			6,000			6,000					6,000
Transportation	0.50%			3,000	3,000							3,000
Capital Project	0.50%			3,000		3,000						3,000
Parks	0.25%			1,500				1,500				1,500

Total Sales

				13,500	3,000	3,000	7,289	1,728	648	8,440	3,774	27,879
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Combined Final Sales & Property Taxes

Market	Assessed											
732,500	234,400	13,500	3,000	3,000	8,381	1,921	1,196	15,587	6,969	40,055	(6,797)	

50.0% Annual Abatement (6,797)

Net all Taxing Entities 33,258

Building Increment	\$ 815,000	50.00%	407,500
Equipment	\$ 195,000	50.00%	97,500
FF&E	\$ 40,000	50.00%	20,000
Equip & FF&E			117,500

County Assessor would value the building at an estimated \$690,000 post-construction.
 The Assessment Department utilizes mass appraisal techniques to ensure like values on like parcels county-wide.
 There is no hard and fast rule for converting construction costs into assessed values.